

AID AND DEVELOPMENT POLICY

European Union vs. China

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ABBREVIATIONS

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ADP	Aid and Development Policy
AL	Arab League
ASEAN	Association of Southeast Asian Nations
AU	African Union
BRICS	Brazil, Russia, India, China and South Africa
CFSP	Common Foreign and Security Policy
DCI	Development Co-operation Instrument
DGDC	Directorate-General of Development and Cooperation
DV	Dependent Variable
EBA	Everything But Arms
EC	European Commission
ECSC	European Coal and Steel Community
EDF	European Development Fund
EEAS	European External Action Service
EEC	European Economic Community
EFSP	European Foreign and Security Policy
EIB	European Investment Bank
ENPI	European Neighbourhood and Partnership Instrument
EU	European Union
IMF	International Monetary Fund
IR	International Relations
IV	Independent Variable
LDCs	Least Developed Countries
OCTs	Overseas Countries and Territories
PRC	People's Republic of China
SU	Soviet Union
TSM	Tian'anmen Square Massacre
UK	United Kingdom
UN	United Nations
US	United States
WB	World Bank
WTO	World Trade Organisation

CHAPTER ONE

INTRODUCTION AND METHEDOLOGY

1.1 Abstract

Aid, in a practical form, is an agreement between donor and recipient countries. Any bilateral or multilateral international Aid and Development agreement is based on the current analysis of immediate global affairs. Aid policy makers evaluate and decide on a framework that can underlie the continuous cooperation required to function any aid agreements effectively. The notion of “development”, by large, is taken as a process of social and economic changes that could improve people’s living standards.¹ Aid is one of the methods used to achieve development and it is a voluntary transfer of resources from one party to another. In this thesis, policies that combine with the two above concepts of “aid” and “development” are named as the Aid and Development Policy (ADP). Different actors have diverse ADP interests, motivations, objectives, approaches and fears. In *Chapter One*, the historical progress of the EU and China’s ADP will be introduced; it will set the background for this thesis. Moreover, the methodology that used in this thesis will also be demonstrated here.

In the history of Europe, particularly in the Mediaeval period, frequent diplomatic exchanges between two Princes often involved some forms of aid being delivered at the same time.

Likewise, in the ancient Chinese history, such as the Tang dynasty, aid giving and receiving was commonly used as a diplomatic tool to achieve border security and integration. From the 1600s to mid-1900s, Europe dominated the role of contributing aid to the Third World as a

¹ Mark Bevir, "Encyclopedia of Political Theory," (Sage Publications, Inc., 2010).

result of de-colonisation. From the 1940s to the end of Cold War, Europe and China were in the process of recovering from the Wars, meanwhile, the United States and the Soviet Union competed in aid giving with strong political incentives. From the 1970s and onwards, China and other emerging economies started to play a role and changing the structure of the world ADP. In the 21st century, the EU, which is currently the largest aid donor, is a prominent actor in development issues; whereas China is a new comer in the international aid community, and its influence is growing rapidly. The EU and China's ADPs have a long history of formation and a complex progress of development. *Chapter Two* will demonstrate and compare the EU and China's ADPs in terms of institutional functionalities, because this reflects the major differences and similarities between the EU and China's ADPs in principle.

The ADP is often used as an instrument to achieve different goals, in particular, that of the aid donors'. This is endowed with a strategic character in the theories of International Relations (IR). Political scientists and philosophers expressed significant interests in the topic of aid and development, and often delivered in different contexts. Popular theories are used to explain different aid and development phenomena from time to time, and most of them come to a conclusion within the spectrum of IR theories. In *Chapter Three*, theories of Political Science, the IR, human nature, power politics and the game theory will be discussed in relation to the ADP. Some new thoughts on the theory of Prisoner's Dilemma will also be introduced. Most importantly, developing and demonstrating a new direction for future studies of ADP. The current ADPs of the EU and China are shaped by three major historical periods, which concerns both political and economic factors. The first phrase is the Cold War period. The second phrase is the transitional period: for the EU, it is the European Enlargement; for China, it is the Reform and Open Door. The third period is the Globalisation era, which had the most recent impacts to the EU and China's ADPs.

1.2 The Period of Cold War

After the two devastating World Wars, the European Coal and Steel Community was funded in 1950. It aims to achieve peace and integration in the European Continent. Seven years later, the European Economic Community (EC) was formed and included a content of European ADP for the first time. In section four of the Treaty of Establishing the European Economic Community, it stated that “it is devoted to the association of Overseas Countries and Territories (OCTs)”.² Including messages about ADP in the funding Treaty, and this was about having an official instrument to continue connections with former colonies which had already gained independence. In the Far East, China also ended the Sino-Japan War (1937-1945) and the civil war (1927-1949), as a result, the People’s Republic of China (PRC) was founded in 1949. China’s political priority was to fight against imperialism and colonialism, to follow the lead of the Soviet Union, and to unite all the communist countries in the world to fight against capitalism. China’s ADP at that time was highly politically orientated. The EC’s ADP was also very political driven, but stood for the opposite side of ideology, to fight against Communism. Strengthening historical connections with the ex-colonies and OCTs through the ADP was the EC’s approach to form allies to win over the Communist influence in the Third World. As a result of having such different political stances, the EC and China hardly had any interactions on the ADP which were totally understandable.

For the purpose of maintaining close connections with the former colonies, the 1957 Treaty of Rome created an account - the European Development Fund (EDF), which was finally

² "Treaty Establishing the European Economic Community, Eec Treaty - Original Text (Non-Consolidated Version)," (2013), http://europa.eu/legislation_summaries/institutional_affairs/treaties/treaties_eec_en.htm.

launched in 1959 and it was contributed by all the member states.³ From 1964 to 1975, the EC's Yaoundé Convention (I & II) stressed on bilateral trade, preferential market access, and technical assistance. The Convention was signed between the EC and 18 ex-African colonies, and mainly French speaking. The Yaoundé Convention was the first cross-regional agreement between two groups of developed and developing countries, and was the first example of legal binding and contractual cooperation between two partners who were at different developmental levels. The practice of the Yaoundé Convention was challenging. For instance, African countries received massive humanitarian aid was due to the EC countries had surplus of food as the consequences of implementing the Common Agriculture Policy, which means Europeans had to find places outside of Europe to "dump" these commodities.

The problems with the Yaoundé Convention (I & II) were obvious: Firstly, the vision of the ADP was lacking of a long term strategic goal and too many random variables in policy decision making process. Secondly, it was criticised by the Netherlands and Germany because French foreign policy interests were overly represented, only a small number of developing countries which were not former French colonies got selected for aid programme. Thirdly, the preferential market access only lowered or abolished tariffs on agricultural products but not on industrial products which were essential for stimulating faster economic growth of the aid recipient countries. Fourthly, the way of practicing the policy showed no improvements from the old colonial way of thinking on bilateral relationship between Europe and the Third World. Fifthly, due to strict and complex regulations on how to use the EDF, the funders were only able to distribute one third of the funding by the end of the EDF's lifespan. Finally, a large amount of funding was pulled into building infrastructure instead of forming industries. Unsurprisingly, the aid recipient countries failed to improve their

³ "European Development Fund," (2012), http://ec.europa.eu/europeaid/how/finance/edf_en.htm.

economic conditions under the Yaoundé Convention (I & II), despite all the aid assistances from Europe.

Unlike the EU's ADP which had a steady increase overall (*see the diagram 1.a*), China's ADP experienced many uncertainties (*see the diagram 1.b*) as a result of a chaotic international and domestic political environment. After the Sino-Russian relationship was ruptured during the 1960s, China had to form a new group of allies. The developing countries became China's prime choice for foreign allies. Chinese high ranking politicians visited Africa frequently to establish diplomatic ties. Realistically speaking, China was competing with Russia for international diplomatic support through the ADP as a quiet way to say "no" to Russians. The "Three World" theory represented China's political ideology and directed China's ADP and foreign policy at that time. The 1966 Cultural Revolution dragged China away from international politics, and interactions with the outside world almost stopped and diplomatic contacts were forbidden. China's ADP was ruined during the ten years' of the Cultural Revolution, and China deliberately slowed down its domestic economic development as well.

China mainly assisted in the agricultural sectors within the ADP framework, such as teaching aid recipient countries about growing rice, vegetables and sugar cane. Chinese loans were used for building the capacity of transportation, light industry and medical aid. North Korea and Vietnam received the majority of Chinese aid at that time. China was economically very poor, but China still gave out aid which was truly above China's own ability. Chinese people are still talking about the stories that how they have starved but still gave out aid to others. China's ADP was impossible to be maintained healthily in the long run.

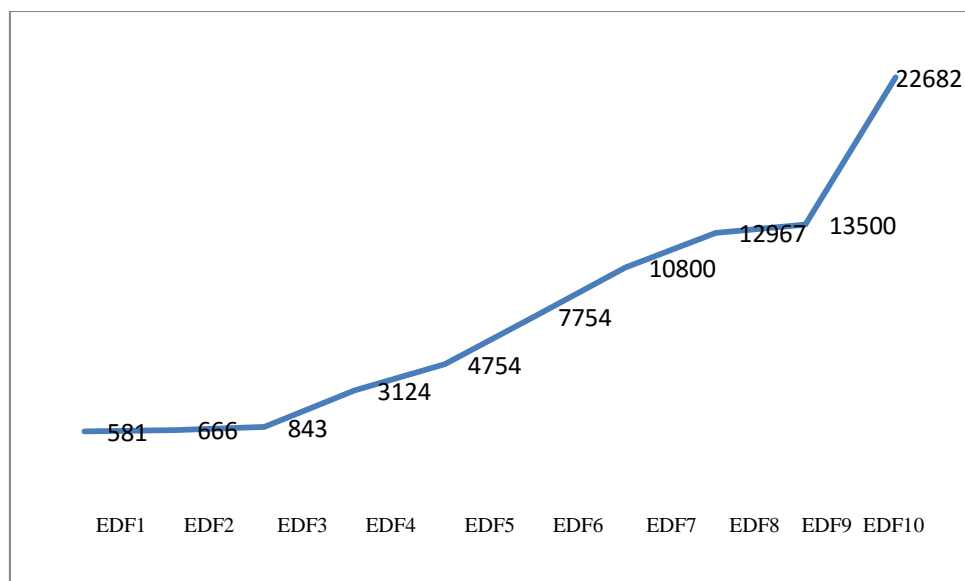


Diagram 1.a: The European Development Fund (EDF) from 1st to 10th, 1958-2013 (Euro in Millions)⁴

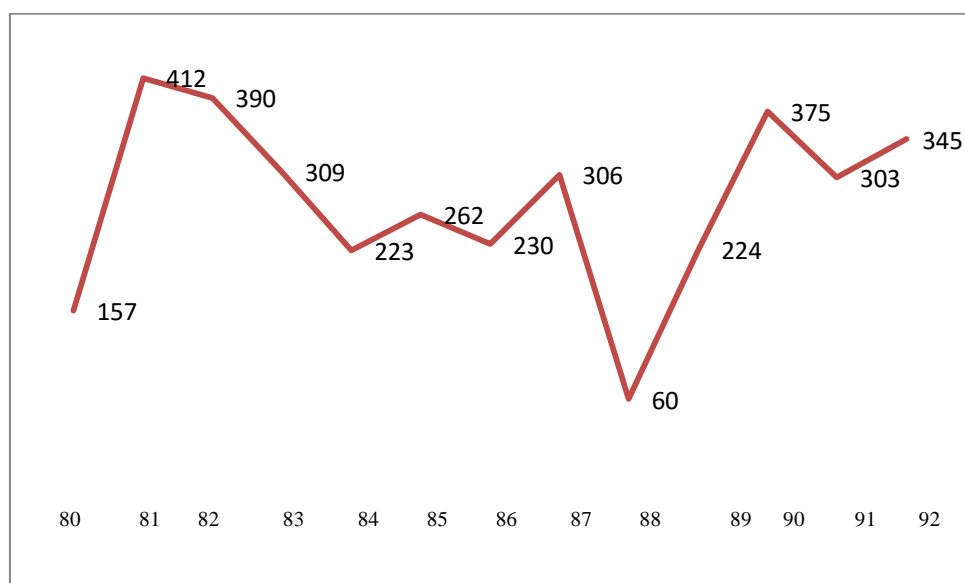


Diagram 1.b: The China's foreign aid to Africa, 1980-1992 (US\$ million)⁵

1.3 The Transitional Period

⁴ Martin Holland, *Development Policy of the European Union* (Palgrave Macmillan, 2011).

⁵ Joseph Cheng, "China's African Policy in the Post-Cold War Era," *Journal of Contemporary Asia* 39, no. 1 (2009).

The EU and China's ADPs were both politically dominated at the initial stage, but once the Cold War ended, the political centred atmosphere which over shadowed the ADPs, gradually faded away. The EU and China quickly found new grounds for practicing new ADP agendas. In 1978, the Open Door and Reform Policy directed China's path to economic prosperity and also had a significant impact on China's ADP. When Chinese officials visited Africa in 1983, their ADP's focus was on economic cooperation, because promoting the political ideology of 'fighting against colonialism, imperialism and hegemony' had lost its attractiveness in the 1980s.⁶ To the aid recipient countries, developing economy became top priority after their countries gained independence, so China had to seek a new diplomatic framework for political and economic cooperation. In 1978, the UN initiated the South-South Cooperation which aimed to encourage exchanging resources, technology and knowledge among the developing countries. China preferred to work within this new context, and for the first time China committed ADP at a super-national level. The concept of "keeping a low profile" has had an impact on China's ADP for more than thirty years. This concept advised China to concentrate on economic development and trade, and reducing unnecessary political conflicts with the others. Obviously, the developed countries were more important to China because of international trade, whereas the developing countries became less relevant. Consequently, the total amount of Chinese aid to the developing countries started to decrease, and China's ADP was not a key policy area during the Open Door and Reform period.

In comparison, the EU had no choice but gave a lot of attention to the ADP. The EU was a political experiment that struggled to find a more active role to play within the competence of the EU zone and in the world affairs. The EU had limitations in the Common Foreign and Security Policy (CFSP) which expressed the lack of collective power and constrained it from

⁶ Ziyang Zhao, "Government Report," (Xinhua Newspaper June 1983).

becoming a prominent actor in international politics. The EU's ADP was one of the few policy areas that the EU had a legal basis on, so that the EU has the capacity to make effective decisions. The EU devoted a lot of resources into restructuring the ADP, especially increased funding and reformed financial instruments. The EU's ADP had a series of smooth transactions when adopting new Treaties. The Lomé Convention (I-IV) indicated the EC's ADP progressive development from 1975 to 2000, and the concept was to fulfill their responsibilities and look for new opportunities in the developing world.

Apart from finding a greater role through ADP, the 1973 enlargement also shaped the EU's vision and had a permanent impact on the ADP. Among all the new members, Denmark and Ireland had no interests in the ADP, but the UK was a country that had ex-colonies widespread throughout the world, so the EU's ADP was pushed to be upgraded to a new level both in depth and width by the UK. The UK understood the importance of giving aid to their former colonies, as it was an easy, effective and less expensive way to keep the linkages. The EU welcomed the British Commonwealth style to counter balance the Francophone definition of ADP, and UK's participation provided an alternative foundation on how to build a pan-European ADP. Hence, the concept of grouping Africa, Caribbean and Pacific (ACP) countries all together as a single negotiating partner was also established at that time when the Lomé Convention was funded, irrespective of whether the method was practical and reasonable.

The famous "conditionality to aid" was one of the inventions of the Lomé Convention. Initially, the EU explicitly emphasised an economic conditionality. The aid recipient countries' opinions in the process were predominantly neglected. Conditions attached to the aid had great psychological implications for the unbalanced EU-ACP partnership, which

suggested that an equal cooperation framework under the Lomé Convention was a mirage. By the end of Lomé Convention, new themes of social development were introduced, and they enriched the EU's ADP.⁷ Moreover, the Lomé Convention broadened the EU's concept on conditionality, not only focused on economic and trade cooperation, but also the aid recipient countries must meet political and social requests from European aid. The EU possessed the power to punish or sink any ACP members who could not meet the established aid condition requirements. Whereas the ACP members have little or no rights to appeal.

The 1981, 1986, and 1995 enlargements included Greece, Spain, Portugal, Austria, Finland and Sweden to the EU family. The new members also brought in new developmental perspectives. Correspondingly, members of the ACP group were expanded too and by the final version of Lomé Convention, 71 ACP countries were included in the EU's ADP. Externally, the 1970s global oil crisis resulted in the world economic recession, and the rise of international financial institutions set a new platform for the EU's ADP. The declining of the European economy slowed down their direct foreign investment activities in the aid recipient countries. Thus, the demands for debt relief from the EU's ADP were hard to achieve. The EU's member states refused to act collectively at the European level in dealing with debt relief. The EU had little influence in addressing this issue. Observing from the ACP side, the ACP Secretariat lacked technical resources to construct an equal weighted negotiation mechanism for which to negotiate debt relief. Consequently, the policy agenda was still dominated by the EU, and the ACP countries struggled to follow up the EU's instructions. The Lomé Convention had some improvements from the Yaoundé Convention such as removing reciprocity, but it failed to change the old colonial type economic

⁷ "Europeaid," (2013), http://ec.europa.eu/europeaid/what/index_en.htm.

dependency of operational structure, and it had limitations in reflecting the ACP countries' needs due to the cognitive differences.

Being a leader in World Development, the EU constantly looked into conducting a global consensus as a new direction. New actors with micro-economic functions, such as the International Monetary Fund and the World Bank were involved and acknowledged on the development issues. The international institutions stressed on economic development in the Global South, but contributing to the wide North-South dialogue was still minor. Later on, *Chapter Four* will discuss these international organisations' impacts and limitations on ADP and how the EU and China have involved themselves in cooperating with some international institutions in ADP, especially in the region of Sub-Saharan Africa. The ACP countries exported raw materials and natural resources to Europe and imported industrialised and finished products back from Europe, although the trade volume increased, the ACP countries were still at the bottom of the production chain. Meanwhile, the economic development of Asian countries was booming, which provided alternative methods and examples in achieving development goals for the ACP countries. The function of trade was concluded as vital for development and proved by many emerging economies. Influenced by the WTO negotiations, a world free trade agenda was promoted and dominated the EU-ACP development dialogue for a while. However, it was, to a certain extent, impossible to significantly solve the fundamental problems in poverty reduction, and the EU-ACP bilateral cooperation remained in a stalemate.

The EU did not fully wake up to the concept of ADP until the fall of the Berlin Wall in 1989, and as it eventually gained competency, it ambitiously decided to work on its ADP. The EU

developed a more comprehensive ADP during the Treaty of Maastricht in 1992, which had a goal of reducing world poverty and building up stable societies through sustainable economic development. The Treaty established the EU's external body – the CFSP, where some of the policy areas overlapped with the ADP, such as combating illegal migration. The new guidance centered on promoting and building economic relations, considering diversity and specific characteristics, improving financial instrument.⁸ In the meantime, the developmental issues of Central and Eastern European Countries (CEECs) became a new immediate concern for the EU in the early 1990s, which replaced the 1970s' "pyramid of privilege".

The 1995 Barcelona Declaration was a highlight of the EU's external strategy. After the 2004 enlargement, ten CEECs joined the EU, the EU's ADP geographical interests extended to neighbouring North Africa and Middle East (NAME) countries, which was a new perspective to the EU's ADP strategy. The papers on the policy of "Wider Europe" and "Paving the Way for a New Neighbourhood Instrument" were both published in 2003 that demonstrated the change. In May 2004 the European Neighbourhood Policy (ENP) was launched. "The European Neighbourhood Instrument from 2007-2013" was revised during the political crisis of Arab Spring. The ENP is also part of the EU's ADP strategy but with a different funding instrument. Statistically speaking, the ENP had the most sufficient financial resources which reflected the EU's priority in the ADP.

While the EU's ADP was gradually shifting focus away from the ACP countries, China restored its interests in the ACP countries. The 1980s was a "lost decade" for China's foreign relationships with developing countries. For example, with African countries, the trade

⁸ "Consolidated Treaties Charter of Fundamental Rights," (European Commission, 2010).

volume between China and Africa did not grow in 1980s. African countries were marginalised in China's ADP for a long time until the 1989 Tian'anmen Square Massacre (TSM). After the TSM, Western countries imposed economic sanctions on China. Diplomatically, China was totally isolated from the West. China was worried because its economic development was totally dependent on export commodities to the Western countries. On the other hand, the developing countries reacted to the TSM in a moderate way, because some of African countries were also experiencing domestic political uprisings and those governments seemed to understand the dilemma during a transitional period. Moreover, when the Western aid donors became stricter with aid conditions, securing Chinese aid became very important to African countries. The African countries kept silent about the TSM, and China immediately turned to them for international diplomatic support.

The government of China did not think that the West would react so fiercely towards the TSM, and China's outward trade was greatly affected. Chinese leaders responded quickly by visiting Sub-Sahara Africa and the NAME countries in August 1989. From this point onwards, the long absent strategic importance of Sub-Sahara Africa became China's ADP's new point of focus. In *Chapter Four*, Sub-Saharan Africa will be studied within the context of aid recipient of the EU and China, and how have the EU and China's ADP impacted the development of Sub-Sahara Africa. The Chinese government restated its official African policy in July 1992 by saying that it would "supporting African countries to fight against foreign interference in national economic development and it was respecting African countries' independent decisions on their political systems and developmental path".⁹ This statement implied that China disagreed with the Western countries' opinions on issues such as TSM. Seeking common interests with other developing countries became China's main

⁹ Cengpei Tian, *China's Foreign Policy since the Economic Reform* (1992).

foreign policy objective, in order to have more bargaining power in world politics. Before the TSM, Chinese aid to Africa, was about US\$60 million in 1988, after two years of time, that total amount of aid had risen to US\$375 million; an increase of 84%.¹⁰ China constantly felt under pressure or experienced difficult times with the Western countries, with regards to domestic political and economic reforms within China, so China had to turn to other developing countries for international support.

The “check book diplomacy” helped China to secure votes from the developing countries in the United Nations (UN). China was not the only one that sought for international recognition, so was Taiwan. China wanted to have support from all the developing countries to not recognise Taiwan as a sovereign state but a province of China, so China increased its aid to the developing countries. Many Pacific countries benefited from China’s aid because of this reason, however, in Pacific, the EU was visible in a different way, and *Chapter Five* illustrated the EU and China’s ADPs in the Pacific and the Pacific countries reactions. The political value of developing countries to China offsets against their economic value. China was a poor country itself and struggled with issues of economic development. Some places in landlocked inland areas of China were just as poor as Africa and Pacific. For decades, China was an aid recipient country that regularly accepting aid from developed countries, but China also gave out aid at the same time. It was publically awkward for China to deal with the dichotomy of being seen to be both receiving and paying out aid, especially where that aid being given out was perceived to be for political ends. Hence, domestically, the policy of offering aid to other countries was criticised by many less developed Chinese provinces.

¹⁰ Teh-Chang Lin, "Beijing's Foreign Policy in the 1990s: Continuity and Change," *Issues and Studies* 32, no. 1 (Jan 1996).

Despite the various clamouring voices, China insisted in giving out aid for political reasons during this transitional period.

1.4 The Globalisation era

Several amendments had been introduced for the EU's ADP in the previous two Conventions, but the milestone was the Cotonou Agreement (2000-2020). Just three months after the Cotonou Agreement was signed, the Millennium Development Goals was also signed which occurred in September 2000. This substantially influenced the EU's ADP, with the main objective of the Agreement being to, eventually, reduce and eliminate poverty. Three pillars were established to achieve this goal: development cooperation, economic and trade cooperation, and political dimension.¹¹ Moreover, the Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008) also changed the international context for the EU's ADP, and new initiatives were proposed around:¹²

- Regional Integration,
- Security and State Fragility,
- Poverty Eradication,
- Climate Change,
- European Partnership Agreement (EPA) Negotiation,
- Partnership Diversity,
- Aid Effectiveness.

The Cotonou Agreement included new ACP members that had no previous colonial links to Europe and redefined the developing EU-ACP relationships. In redefining the relationship the

¹¹ "The Cotonou Agreement," (2012), http://ec.europa.eu/europeaid/where/acp/overview/cotonou-agreement/index_en.htm.

¹² Ibid.

EU expressed their determination to assist the ACP countries in liberalising their trade arrangements and then opening their markets, working to ensure that they would not be marginalised in this new era of globalisation. Two amendments had been made to the Cotonou Agreement in 2005 and 2010 which allowed the EU's ADP to adjust to this new external environment, for example, Everything But Arms (EBA) was created. The new Cotonou Agreement acted as watershed for the EU-ACP partnership in their striving to be part of a new globalisation movement.

The principle of the EPA was popular at the EU political level, but the implementation was difficult. First of all, the act of grouping ACP countries together faced criticisms. The EU promoted ACP group representations in international politics, but because of geographical distances and economic differences in nature, and incoherence in the ACP group, which was apparent from the beginning. To counteract this lack of cohesion, in practice, the ACP started to cooperate under regional groupings from the 10th EDF and onwards. These groupings were Eastern-Southern Africa- Indian Ocean, Southern Africa, Central Africa, West Africa, Caribbean Region and the Pacific Region. In terms of trade and economic cooperation, this multi-country cooperation meant a country-specific partnership approach was required. Secondly, with the high expectations on the post-Lisbon Treaty, in particular in building EU institutions, the creation of the European External Action Service (EEAS) became an acting body to the European Foreign and Security Policy (EFSP). This change was intended to take the EU's ADP to a new level. However, EEAS still had institutional limitations in its bid to become a competent global development actor. Thirdly, ineffective results from the aid strategies remained and needed to be addressed.

The EU believed that achieving economic prosperity and social development need a foundation of a democratic political system and economic development should be based on a stable political environment (top-down approach). In contrast, China lost strong interests over finding the most appropriate political ideologies, but only focus on infrastructure building and economic transformation (bottom-up approach). This changing phenomenon could also be observed from China's ADP, and reflected in the China-Africa trade volume from 1990 to 1997 (see the diagram 1.c). China explicitly pointed out five elements for the ADP cooperation with the third countries: Firstly, faithful cooperation, mutual trust for friendship; secondly, equal treatment, mutual respect for sovereignty and no interference in domestic politics; thirdly, mutual benefit and seek for common prosperity; fourthly, strengthen communication, close cooperation in international affairs; fifthly, face to the future, create a better world.¹³ It inherited from the past policy principles, and the three "mutual" stressed out that the cooperation must be equal and win-win to both aid recipient countries and China.

Most of the developing countries are rich in resources, for example, The North Africa and Middle East (NAME) countries are rich in oil and minerals. China is always thirsting for natural resources because of the big population and the fast growing economy. The economic development patterns of China and the NAME countries complement each other in their growth, whereas, the European economy has been slowing down since the World Financial Crisis. Moreover, geographically, the NAME countries are so close to the EU territory, that they must stay on the top of EU's security agenda. A special case study will draw on to study and compare the EU and China's ADP in the NAME region and their policy reaction in

¹³"President Jiang Zeming's Visit to Six African Countries," (1996), http://www.fmprc.gov.cn/mfa_chn/ziliao_611306/wjs_611318/2159_611322/t8969.shtml.

Chapter Six, and the event of Arabic Spring will be used as a case study to look at and compare the EU and China's fears and strategic interests in the region.

The International Cooperation on ADP is more frequent than ever before, and whether they are in Sub-Sahara Africa, in Pacific or in NEMA region, the EU and China are the leading powers in the ADP area, although their ideologies and practices about the ADP is questioned and challenged by each other and by other parties constantly. Apart from answering the thesis question: In what context, are there any similarities and differences between the EU and China's ADPs? One should also try to understand that under internal and external forces, what modifications that they have made to their ADPs in order to survive and continue to serve their interests? Does the rise of China offers aid recipient countries with an alternative option, or does it actually complements the EU's ADP? What the future going to be look like for the EU and China's ADPs? Finally, *Chapter Seven* concludes the issues that discussed in this thesis.

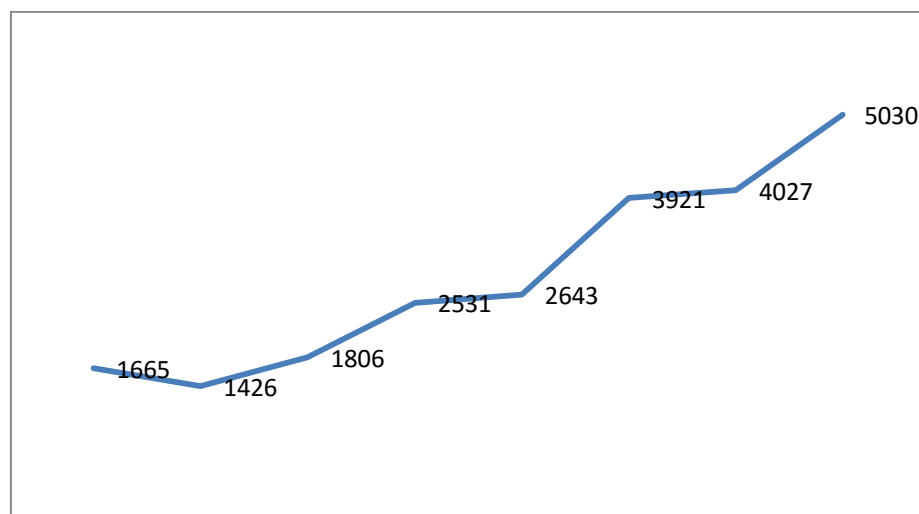


Diagram 1.c: China-Africa Trade 1990-97 (USD million)¹⁴

¹⁴ K. Min Pease & Samuel Clark, "Chinese Foreign Indirect Investment to Sub-Saharan Africa " (2007).

1.5 Methodology

The concept of aid and development has an internal relational structure, where aid is a tool that can be used to achieve development goals. The EU is a pioneer in the studies of international aid for development. Many researches have been carried out on the topic of the EU's ADP in different countries and regions, and have come across lots of policy fields and disciplines. China's ADP gained attentions both internally and externally. The empirical studies on China's engagement in developing countries were more than ever. There were few researches that looked at the multi-international interactions between the EU and China on aid and development issues. Since the beginning of this decade, politicians, scholars, businessmen and general public all have become very interested in exploring fresh opportunities from phenomena of aid and development. At the same time, new challenges at the international level were revealed.

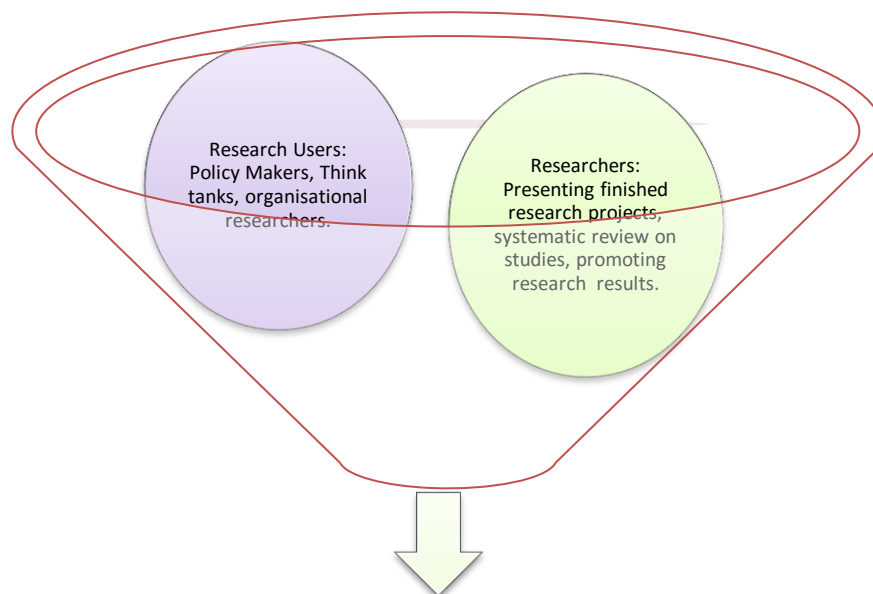
This research is considered as empirical; it is based on observations and measurements of the current EU and China's ADPs in three geographical regions: NAME, Sub-Saharan Africa and the Pacific, and as well as their practices within international organisations. This thesis tries to achieve three basic elements: a valid research question, an ethical process of approach and a reliable result. Furthermore, this thesis cannot be seen as successful without demonstrating the following:

- Conceptualising by pointing out the problems and issues involve with the research questions. Research Question/Objective (Ontology): What are the similarities and differences between the EU and China's ADPs?

- Type of Methodology: Interpretive→ Exploratory→ Observatory
- Methodological: developing research methods to approach the questions by communicating ideas with people who also work in this field and reading other people's work as a reference point to start with. At last, applying theories when examining the EU and China's historical events and experiences in ADP and then, finalising outcomes and answering the thesis question.
- Justify: any judgment on anything must be made based on previous experience on that particular issue. However, experience is constantly modified by the consequences of the current judgment. Justify what aspects of the EU and China's ADPs are going to be compared. Their experiences and consequences are going to be look at in contrast.
- Polite Study: lots of studies have been done in the areas of the EU and China's ADPs as separate research targets, but there are limited respectable works on comparing the EU and China's ADPs. Even there are some existing comparative studies, they have not drawn a clear outline for them to compare, and how could the findings to help aid recipient countries to perceive aid from the EU and China.
- Importance: this thesis can be used as a reference material by future scholars and encourage them to approach aid research projects from a recipient oriented perspective.
- Impact: The outcome of this thesis will have a potential impact on the theories of IR, and especially to the school of Realism which stresses on power politics. The following funnel diagram (see the diagram 1.d) shows three main potential impacts on the researchers and the users of this thesis.
- Exclusion: Time Frame - Ancient historical background of ADP are not included. This thesis only traces the EU and China's ADP in the modern times, which is from mid-1990s, because the EU and China were both founded at that time and developed since then. This thesis particular stresses on the Post-2010 period. *Policy Selection* - This thesis only

selects certain policy areas for analysing that directly related to the theme of ADP, other policy areas have indirect connection to the ADP will not be studied. For instance, the EU has 35 related official policy areas but only three (ADP, ENP and CFSP/EFSP) will be studied here. For China, three (ADP, Foreign Policy and Business and Trade Policy) out of 25 related policy areas will be studied in order to compare them in the same discipline. Not all the policy areas will be studied and some will be studied more in depth, and others will be more in width.

- Limitations: this thesis will not be able to take a deep observation in the legal aspects of the EU and China's ADPs. Therefore, it has limitation in discussing legitimate impact on the EU and China's ADPs.



Producer Push: Arise awareness of the studied issues (both academically and non-academicly).

User Pull: Increase research use (same as above).

Exchange: Initiate future cooperative studies on this area (academicly).

Funnel Diagram 1.d: Thesis Impact

In order to formulate this thesis, it is important to find out the patterns of the EU and China's motivations and goals of ADPs, and examining conflicting issues rise between the EU and China's ADPs.

- The ultimate objective: Apart from further finding similarities and differences, in order to give aid recipient countries a comparative idea about the affordances and limitations of the aid that is from the EU and China. There are three main approaches to achieve the research goal:
 1. Descriptive: Primarily, this thesis aims to describe the current (post-2010) ADP of the EU and China. It will compare the EU and China's ADPs in the chosen geographical regions (NAME, Sub-Saharan Africa and the Pacific). Illustrating similar and different challenges that both of them are facing.
 2. Relational: analysing the relationship between dependent variable (DV) and independent variable (IV).
 - DV: performances of the EU and China's ADPs in international organisations and in three geographical regions: NAME, the Pacific and Sub-Saharan Africa.
 - IV: the EU and China's similarities and differences with their ADP issues at all levels.
 3. Causal: examining how IV causes or affects DV.

1.6. Conclusion

The EU and China's historical progress of their ADPs commenced from the end of the Cold War. Both of them established internal entities for execute the ADP. The Yaoundé

Convention (I & II) was the first legal document that empowered the EU's ADP. Although, it was only some of the EU members, that had post-colonial interests, became serious about the ADP, the policy was predominantly used to meet the demands of the EU. In comparison, China's ADP was decided to serve political interests from the beginning, which implies that China's ADP had more uncertainties. Besides, comparing with the EU countries, China's overall knowledge about the aid recipient countries was very limited. In progression of institutional building, the ADP was chosen as the most practical instrument to use in the EU's foreign policy sector, and this achieved through the Lomé Convention and various updated Treaties. While the EU was exercising muscles and ready to devote to the ADP enthusiastically, China benignly walked away from the ADP and only concentrated on self-economic development and prioritised trading with the developed countries. Until the TSM, China found that the ADP was useful again, in terms of securing votes from the developing world. Bilateral, multilateral and international cooperation are the operational frameworks for the current world aid system. Power transferring from the developed countries to the developing countries leads to more complex and more puzzling situation for all aid donors and recipients. Methodology introduced methods that this thesis uses and listed the thesis question, objectives, limitations, and how the research goal can be accomplished.

CHAPTER TWO

INSTITUTIONS, CONCEPTS AND LEGAL FOUNDATIONS.

2.1 Abstract

Aid, as a *tool*, is often used by countries and organisations to accomplish goals directly or indirectly; Aid, as an *action*, is not fair, it controls by the powerful donors and leaving the powerless recipients with limited choices, since inequality fundamentally exists in the political nature; Aid, as a *method*, is hard to judge its effectiveness in poverty reduction, because the drive for achieving success development has to come from a form of domestic desire; Aid, as a *belief*, is a huge comfort to people who suffer from insecurity, since “sympathy” is an important part of human nature. Whichever the character is ADP’s identity, the role of ADP in the 21st century has been strengthened to a new level, and each country or institution organised their “Aid Departments” in a new way that it could meet the challenges of today’s international politics. The EU and China both have large departments that administrate ADP, and by comparing their executive offices, one can easily find out their similarities and differences in policy concepts. They also have different approaches to ADP in budgeting and different forms of aid delivery. This chapter focuses on comparing the legal foundations, as well as the legal contents that are included in the EU and China’s ADPs.

2.2 Institutions and Actors

There are 23 Departments in the European Commission since 03 January, 2011, the reformed EU Directorate-General of Development and Cooperation (DGDC) – EuropeAid has been responsible for development policies at an EU level which included aid delivering to the

recipient countries through projects and programs. The following diagram (*Diagram 2.2.a*) shows the institutional division of the EU Aid. On the other hand, the Ministry of Commerce of PRC has 31 departments, and China's development policy is under the Department of Aid to Foreign Countries which shows in the second diagram (*Diagram 2.2.b*). Comparing their administrative structures, they are similar in governmental functions and hierarchy, but there are also differences between them which reflect their ADP's different focuses and objectives.

Diagram 2.2.a: The EU's Main Institutional Structure for Development¹⁵

¹⁵ "Who's Who at Development and Cooperation - Europeaid," (2012), http://ec.europa.eu/europeaid/who/whoswho/index_en.htm.

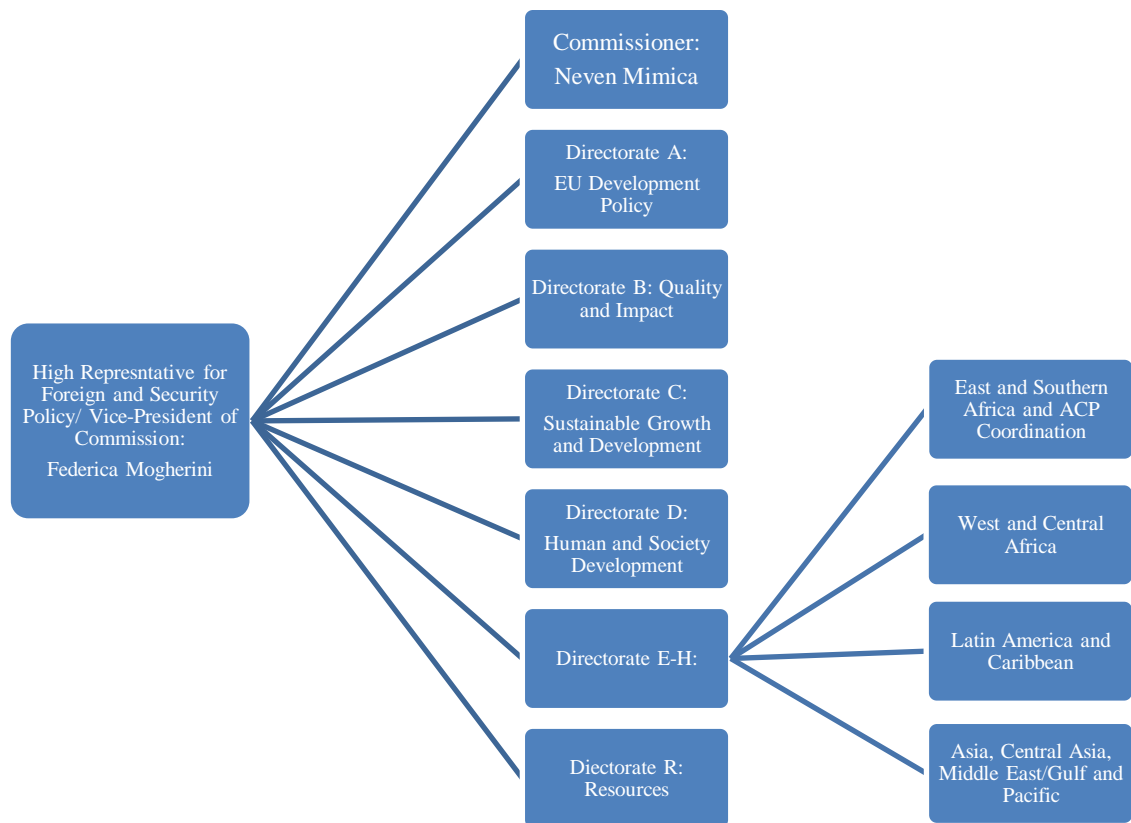
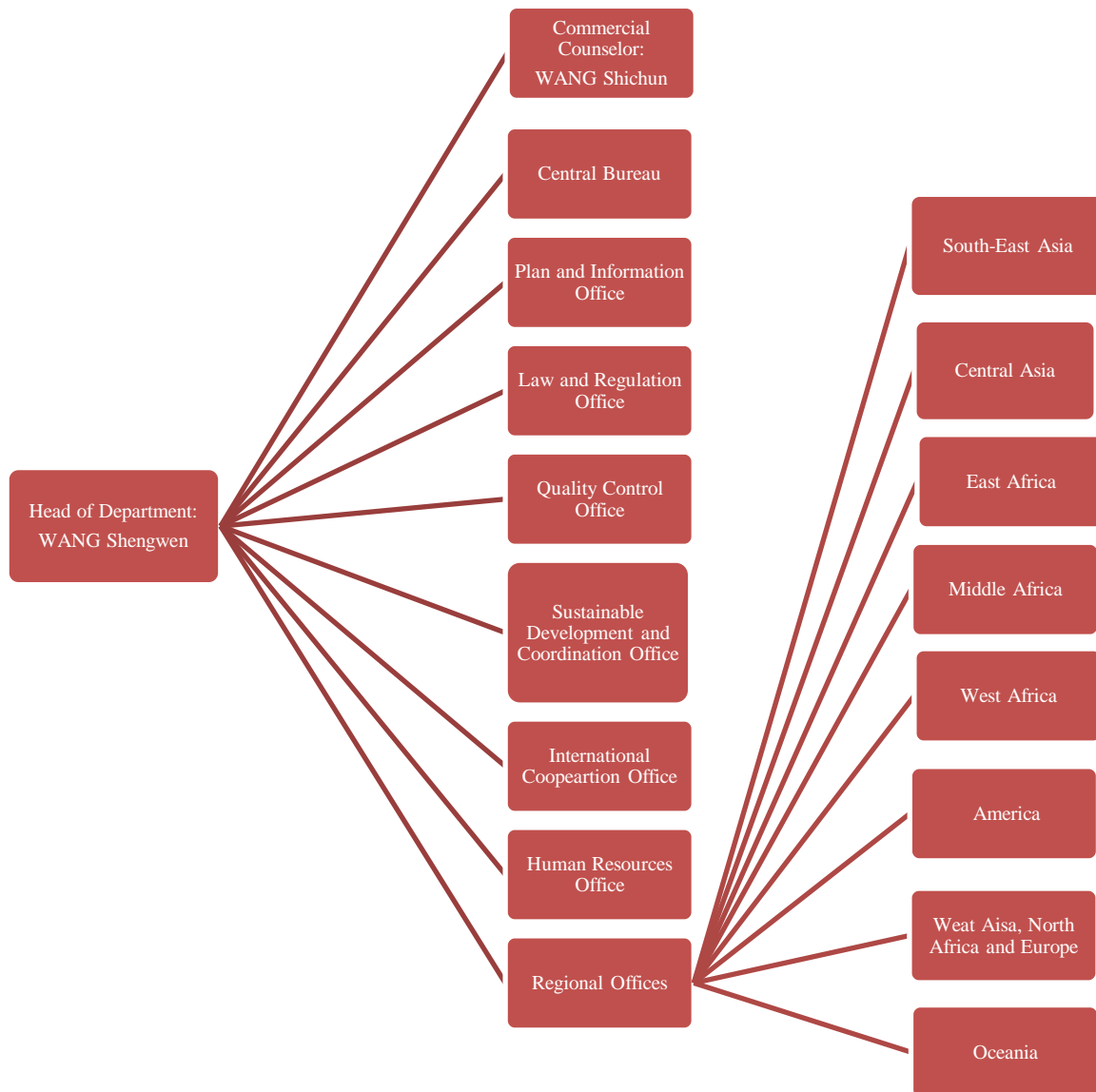


Diagram 2.2.b: China's Main Institutional Structure for Development Policy¹⁶

¹⁶ "Institutional Structure," (2012), <http://yws.mofcom.gov.cn/>.



Similarities:

- The overall institutional structure is similar, as the EU and China both have independent offices for *Policy Development*, *Quality Control*, *Resources* and *Sustainable Development* functions. In terms of policy life cycles, the first two

elements are essential. *Policy Developing* is the input sector during policy making, and *Quality Control* is for the output during implementations. *Sustainable Development* is designed for smooth transitions, and also for potential work and corporation, and the EU and China both emphasise sectors, such as rural development, climate change, infrastructure building and environment. For the EU, *Resources* office covers human, financial and technical resources' management, but China's *Resources* office manages human resources and certain aspects of financial and technical resources. In general, the EU and China, with no hesitation, recognise the importance of the above four basic functions.

- Africa, in general, is significant to both of the EU and China's ADPs; simultaneously, the Pacific gains least interests from both of them. The regions that have priorities to the EU and China's ADP are always their host regions or neighbouring regions. The rest of aid recipient regions, more or less, rank their importance according to the geographical relevance. Regional divisions of the EU and the China's ADPs directly reflect their geopolitical interests are quite prominent.

Differences:

- China has a separate bureau to act as the legal mechanism for ADP- *Law and Regulation Office*. The more widespread Chinese aid projects are, the more important enforcing acts and regulations becomes regarding the management to aid projects. China's ADP is often debated for not having a strong legal basis, thus, China is in the

initial stage of establishing a legal concept of “law for foreign aid and development”, and China needs a comprehensive legitimate system to keep up with its fast growing ADP. Moreover, China is also interested in the ADP relevant laws of other countries and international institutions. The *Law and Regulation Office* has two basic streams: one stream (horizontally) focuses on learning from the others; the other stream (vertically) focuses on improving the existing law that governs the ADP. In contrast, the EU and/or its Member States are more mature in operating ADP missions under guidelines of laws and treaties. For instance, the Treaty of Lisbon regulates that the EU must operate according to the General Provisions on the Union’s External Action.¹⁷ This reflects the EU and China’s different levels in legal foundations of their ADPs.

- For the EU, the traditional humanitarian aid concept is concerned about polity takes humanitarian actions on the others, that is, protecting people in third countries who are victims of nature and man-made disasters.¹⁸ Therefore, the EU regards humanitarian aid as self-initiated actions in helping the others. However, China suggests humanitarian action should not be regarded as one to one assistance – a bilateral perspective, but should be primarily carried out as a wider action of international cooperation – a multilateral approach. China prefers to take foreign humanitarian actions under the request of international organisations, for example, the United Nations (UN), therefore, China prefers to be called *International Cooperation Office* in relation to this function. This minor difference reflects the EU and China’s different views on how to deliver humanitarian aid.

¹⁷ "Treaty of Lisbon," 24(2009), <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:12007L/TXT>.

¹⁸ "Treaty of Lisbon," 168(2009), <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:12007L/TXT>.

- The EU has an office for *Human and Society Development*, which oversees some traditional areas of ADP, such as, human rights, democracy, governance, civil society, employment and education. Since the EU was created on the same above principles, it considers that aid recipient countries should follow the same path to achieve development. In another words, this is the EU's mechanism to exercise normative power through ADP. China has very different point of view, and is often reluctant to openly talk about what the aid recipient countries should or should not do. China's "non-interference" policy is still the fundamental principle to guide the ADP and a wider foreign policy spectrum. This reflects the EU and China's different degrees of intention of involvement in the ADPs.

2.3 Budget and Funding

The EU budget and funding scheme for the ADP is transparent and accountable, which is relatively easy to trace for any information that is required. There is adequate amount of information about the EU's development policy that is available for all users, and the EU official website does not only provide raw materials but sometimes also processed data. China is an opposite case in this respect, even the governmental think tanks in China find it difficult to obtain first-hand information on the development policy's financial details. There are lots of estimated figures available, but the degree of accuracy remains questionable. Nonetheless, the 2009 published "White Paper on China's Foreign Aid and Development" is the only published official document at the level of General Office of China's State Council, and it gave out a vague outline of the China's ADP status.

The primary executive issue for the ADP is budget. For the EU, 27 Member States financially contribute to the EC's DG EuropeAid, as well as the European Investment Bank (EIB), and they are the two main funding bodies to the EU's ADP. The EDF covers 79 ACP countries and OCTs; the European Neighbourhood and Partnership Instrument (ENPI) manages the aid to 17 EU neighbouring countries; the Development Co-operation Instrument (DCI) is used in 47 Latin American, Asian, Central Asian countries, as well as South Africa and Gulf region (see the Diagram 2.3.c). China's main funding instrument is the Ministry of Finance, and the Ministry of Commerce and other partner ministries regulate that distributing and managing the funding according to their individual responsible geographical channels (see the Diagram 2.3.d). China gives aid to more countries than the EU does – 161 to 143, but when comparing the total amount of aid that is provided, the EU is a long way ahead of China. For example, China spent about 32.04 billion euros for a period of 59 years (from 1950 to 2009) in aid.¹⁹ Whereas, the EU, if only counting for a period of 6 years (from 2007 to 2013), has allocated 43.94 billion euros in ADP related activities.²⁰ The EU aims to achieve an ambitious goal of taking 1% of its Gross National Income (GNI) as contribution to the ADP, and so far, the best performing four countries are Denmark, Luxemburg, the Netherlands and Sweden, which have achieved 0.7% target by 2015.²¹ China has no intention to publish actual financial figures related to its ADP.

Diagram 4.b: China's

Main Institutional

Structure for

Development Policy

Ministry of Finance,

regulates that

Diagram 2.3.c: Geographical Distribution of the EU Aid, 2013²²

¹⁹"White Paper on China's Aid to Foreign Countries," *China's Daily* 2011.

²⁰ "Regulation of Foreign Aid: European Union," (2014), <http://www.loc.gov/law/help/foreign-aid/eu.php>.

²¹ "Ec Aid in Figures," (2014),

http://webcache.googleusercontent.com/search?q=cache:lyBEUobjOSSJ:www.puntosud.org/helpdesk-europeaid/doku.php/europeaid_at_work/about_europeaid/ec_aid_in_figures+&cd=9&hl=en&ct=clnk&gl=nz.

²² "How We Finance," (2013), http://ec.europa.eu/europeaid/how/finance/index_en.htm.

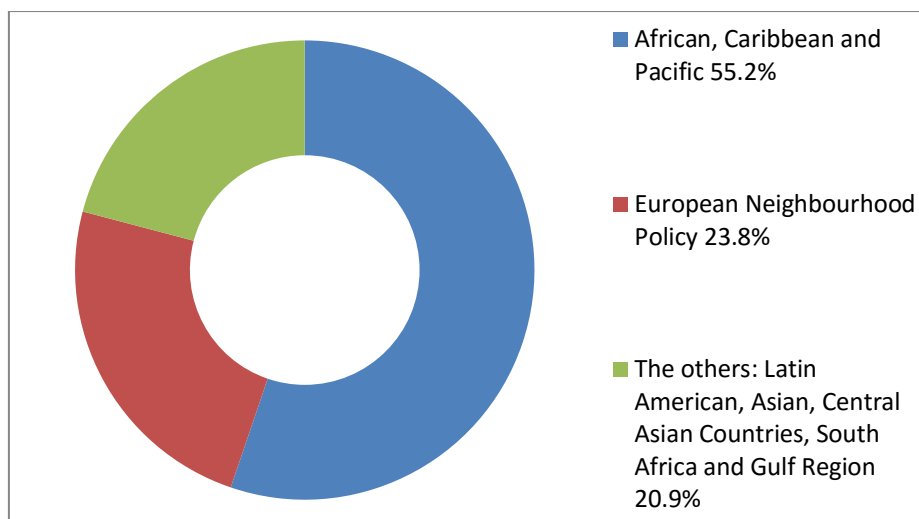
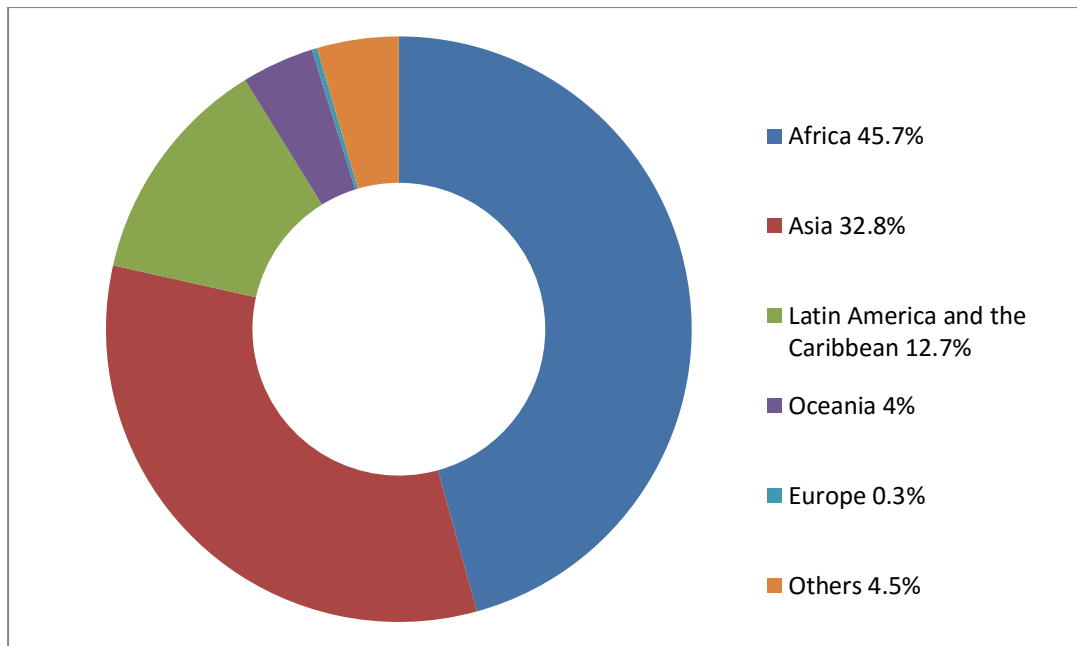


Diagram 2.3.d: Geographical Distribution of China Aid, 2011²³

²³ "White Paper on China's Aid to Foreign Countries." *China's Daily*, 2011.



2.4 Forms of Aid Delivery

In terms of delivering aid, the EU and China have different approaches. The EU delivers aid in three ways: *Project Approach* (including Grants and Contracts), *Sector Approach* and *Budget Approach*. China prefers to directly give *grants* and offer *loans* (interest-free and/or concessional) to the aid recipient countries. The EU's approaches target effectiveness in a long term, whereas China want to see prompt effects. Society building of aid recipient countries takes years to complete, and the EU designs programmes and projects for their local societies to meet development goals.

Different types of financial supports in details:²⁴

- *Project Approach*: Grants are used as direct financial contributions provided to organisations, or to various projects; Contracts are awarded through tendering process

²⁴ "About Funding," (2015), https://ec.europa.eu/europeaid/about-funding_en.

to purchase services, supplies and works. Both Grants and Contracts are awarded for activities contributing to development goals.

- *Sector Support*: Making funding available to targeted specific sectors that can give a boost to development programmes that run by aid recipient countries.
- *Budget Support*: Consisting of financial transfers and engaging policy dialogues and measuring the use that made from these funds. The aid recipient countries have to commit to the EU's fundamental values.

Nevertheless, the EU still needs to work on how to reduce transaction costs and be more effective overall. The aid recipient countries mostly welcome the aid that could directly transfers to their treasuries, because this is the most flexible and less constrained way to access aid, and the aid from China becomes more popular is obviously for this reason. The main approaches of Chinese aid are:²⁵

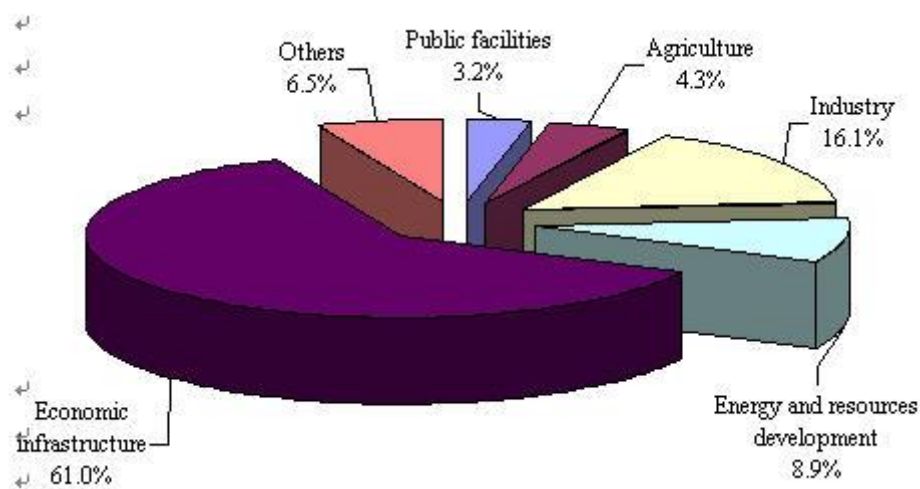
- *Grants*: used in building major facilities, such as hospitals, schools and low- cost of houses.
- *Interest-free loans*: mainly used for public infrastructure building that can improve people's daily livelihood, and the repayment period can up to 20 years.
- *Concessional loans*: for building medium to large national infrastructure, or to build complete industrial plants, mechanical and electrical products, technical services and other materials, and the interest rate is usually between 2%-3%.

Additionally, China prefers to conduct aid projects that are visible, such as airports, central government buildings and sports stadiums. Infrastructure building is the main feature for

²⁵ "White Paper on China's Aid to Foreign Countries." *China's Daily*, 2011.

China's foreign aid, and the sector distribution of *concessional loans* can be used as an example to demonstrate this point (see the *Diagram 2.4.e*).

Diagram 2.4.e: Sectorial Distribution of Concessional Loans from China, by the end of 2009.²⁶



The sector distribution statistics of ENPI and DCI in 2010 and 211 shows that the EU mainly focused on social infrastructure building and humanitarian related projects (see the *Diagram 2.4.f and 2.4.g*). The EU demonstrates that social development is the core to solve economic problems of the aid recipient countries. In 1980s, the Europeans, like the Chinese today, aimed for a quick result and committed in providing direct assistance to economic infrastructures of the aid recipient countries. However, after many unsuccessful or incomplete aid projects, the Europeans realised that economic infrastructure building can hardly be effective if the government is corrupt and has no respect to rule of law and human rights. The

²⁶ "White Paper on China's Aid to Foreign Countries," *People's Daily* 2011.

EU found out that lack of society building is the grass-root problem, so the EU's ADP shifted from infrastructure building to the current agenda, which focuses on many social development issues, such as education, health and water safety.

Diagram 2.4.f: Sectorial Distribution for ENPI from the EU, 2010 and 2011.²⁷

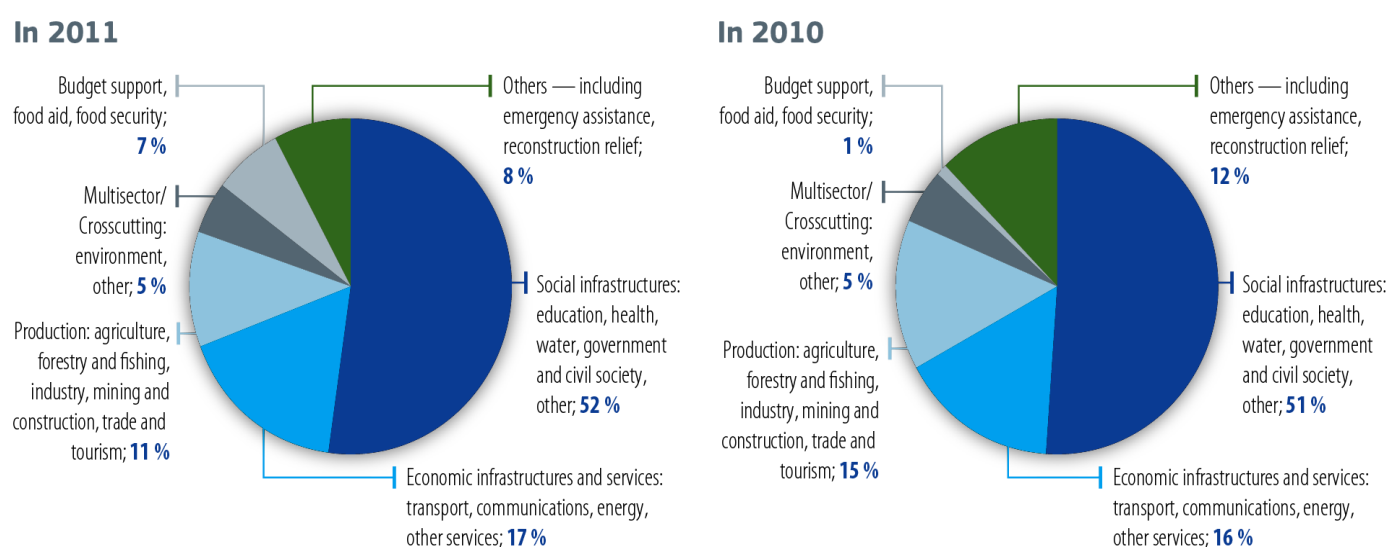
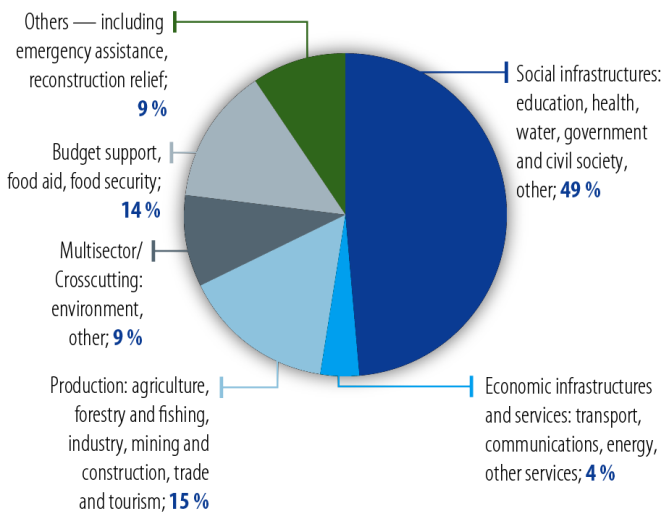


Diagram 2.4.g: Sectorial Distribution for DCI from the EU, 2010 and 2011.²⁸

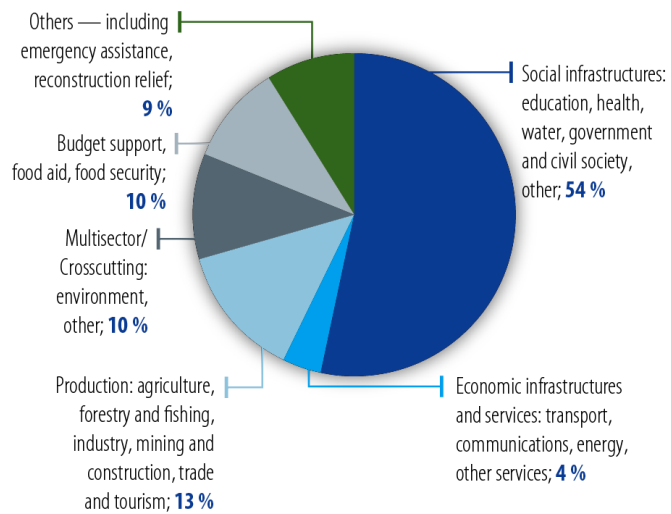
²⁷ "The Eu as a Global Player," (2012), http://ec.europa.eu/budget/financialreport/expenditure/global/index_en.html.

²⁸ Ibid.

In 2011



In 2010



Initially, China's ADP had less concerns about the governments of aid recipient countries being corrupted, because China believed that any country in a transition period has its own unique and sensitive issues relate to corruption. Back in those days, the Chinese government also had a lack of governmental transparency, and corruption was normal to China. Most of the time, it was considered as a natural result of fast economic growth. Nevertheless, since the 2008 financial crisis, China has changed priority, economic development has been designed to slow down, and China has gone through sets of reforms periodically, so that the sectors of social development and governance could catch up. When China works hard to achieve standards of good governance internally, it also becomes stricter on the matters of probity and integrity externally. In the future, the aid recipient countries will see China, more or less, acting as the way that the EU behaves today. China is expanding interests in doing businesses and investments in the developing countries, and this cannot be successful if the hosting countries' governance is incompetent (corrupted, inefficient and unprofessional), which can put China's overseas economic investments in high risk. Although China will not

have a strong stand on these issues yet, because “non interference” rules over these concerns in foreign relations, China sends out signals of engaging in aid activities only with aid recipient countries that can perform good governance.

2.5 Conceptualising the EU and China's ADPs

The European concept for the EU's ADP has fundamentally roots in religion, for example, Christianity:

- “Whoever oppresses a poor man insults his Maker, but he who is generous to the needy honours him.
- Only, they asked us to remember the poor, the very thing I was eager to do.
- Whoever is generous to the poor lends to the lord, and he will repay him for his deed.”

29

Aiding the people who need help is deeply and widely recognised by the majority of Europeans, and especially to people that have faith in religions. There are many religious based aid organisations, for example, Christine Aid, which aims to achieve poverty reduction.³⁰ Researchers have conducted projects about “aid and religion” in modern times, for example, there is a project called “Religion, Aids and Social Transformation” looks at the relationship between religion, social policy and AIDS/HIV, and how it shapes the developing world.³¹ Missionaries carry out tasks overseas and promote evangelism in developing countries from the era of colonisation to now. Although the instruments for ADP have diversified throughout time, the fundamental European values of promoting peace, equality, freedom and human rights remain the same. Religion has a unique role to play in Europe

²⁹ "Giving to the Needy," (March 2015), http://www.openbible.info/topics/giving_to_the_needy.

³⁰ "Christian Aid," (March, 2015), <http://www.christianaid.org.uk/>.

³¹ "Religion-Aids-Africa," (2015), <http://religion-aids-africa.org/>.

because religious groups' projects complement the EU's ADP. Furthermore, the well-known concept of the EU being a Normative Power is highly regarded as similar to the concept of missionary promotion; the EU exports its norms, values and principles to other countries. The tradition of spreading the good word guides the EU's external actions and also inspired creation and enlargement of the EU itself.³²

Religious groups' perceptions on aid and development can influence the EU's ADP, but China is quite different in this regard. The two main religions in China – Buddhism and Daoism have ethical influence on aid and development issues, but have no impact on China's ADP politically. Unlike religious groups in Europe that are rich in resources and well networked, China's religious practitioners have no power in an institution domain as they often lack of freedom and ambition to contribute to ADPs. Religion based aid and development organisations do not exist in China. However, religious organisations such as Buddha's Light Mountain (foguangshan), Ciji and Fharma Drum Mountain (fagushan) in Taiwan, have established Chinese Buddhism centred aid and development temples in many developing countries. Buddhism for the human world (renjian fojiao) is a leading theory that leads Chinese donors to engage on aid and development activities abroad.³³ China's policy makers are all atheists, so religion has no role to play in making the ADP, in contrast, religion is more meaningful and useful in shaping the EU's ADP.

³² "Consolidated Vision of the Treaty on European Union," (2010), http://europa.eu/eu-law/decision-making/treaties/pdf/consolidated_versions_of_the_treaty_on_european_union_2012/consolidated_versions_of_the_treaty_on_european_union_2012_en.pdf.

³³ Scott Pacey, "A Buddhism for the Human World: Interpretations of Renjian Fojiao in Contemporary Taiwan", *Asian Studies Review* (2005): 445-461, accessed on 06/09/2013, doi: 10.1080/10357820500398457 <http://www.tandfonline.com/doi/pdf/10.1080/10357820500398457>.

China does not explain aid and development concepts through religion, but embraces a concept established an ancient philosopher – Laozi, which summarises China’s view. Laozi basically says “Teaching a man how to fishing is much better than giving him fish directly, and it this way, he will be fed for a lifetime”.³⁴ This Chinese proverb is quoted quite often by Chinese officials to claim China’s way of thinking about its ADP, which is practical, realistic and aim to make aid recipient countries independent. Being independent is the key for any country to achieve development. Not only gain sovereign independence is crucial, but also have economic independence, otherwise, sovereign independence is an illusion. Accepting aid from donor countries can help aid recipient countries in a short term because aid should only be considered as a temporary assistance. Aid should be reduced in size once aid recipient countries become more advance in economic development. Finally, aid recipient countries can be free from aid assistance as they have skills and knowledge to develop their own countries.

The EU and China’s ADPs are perceived as different, and their differences are in policy priority, expectations on budget contribution from aid donors, anticipations to achieve democracy, rule of law, human rights and combating terrorism. The following table (*table 2.5.a*) presents a generic comparison of the EU and China’s ADPs. However, it is expected that their ADPs will gradually become similar as a result of globalisation, and also due to China joins the developed countries’ club and moves up from lower development stages to higher ones.

Table 2.5.a: Concepts in APD: the EU versus China

³⁴ Ronnie Littlejohn, “Laozi”, Internet Encyclopedia of Philosophy, <http://www.iep.utm.edu/laozi/>

	The EU	China
What is the main mechanism to help less developed countries?	Aid	Trade
Who should do what?	<ul style="list-style-type: none"> • Governments of old EU member states need to increase contribution to the ADP. • Governments of Middle and Eastern EU member states should contribute more. 	<ul style="list-style-type: none"> • Governments of developed countries and regions can afford to do more in the ADP. • Governments of developing countries and regions should develop themselves first before help the others.
Expectation on using aid as an instrument to achieve democracy, rule of law and human rights in aid recipient countries.	High	Low
Aid as a positive method for	Mixed feelings, especially in terms of the aid effectiveness	Little stress on this unless terrorism affects trade and

combating terrorism.		business.
Motivation	<p>Reasons for EU's ADP</p> <ol style="list-style-type: none"> 1. Promote democracy and rule of law 2. Protect human rights 3. Border security, e.g. illegal immigration and refugees 4. Promote regionalisation 5. Poverty reduction 6. Health, e.g. HIV/AIDS 7. Education and Gender equality 8. Sustainable development 	<p>Reasons for China's ADP</p> <ol style="list-style-type: none"> 1. Trade and business 2. Economic cooperation 3. Access to natural resources 4. Infrastructure building 5. Promote independence and self-reliant development 6. Poverty reduction 7. Health 8. Education 9. Sustainable development

2.6 Legal Foundations

The EU is a creation of law and can only be operated and functioned based on the rule of law; therefore, the EU's ADP is strictly regulated by law. There are five main legal sources that contributing to the ADP:

- Primary Legislation (Union Treaties);
- International Agreements;
- Secondary Legislation (Acts);
- General Principles of Law;
- Conventions between the Member States.

Whereas, China is still in the process of utilising law to regulate policies. China's ADP must adhere to the following laws:

- The Constitution of PRC;
- Acts;
- Regulations;
- Instructions;
- International Agreements;
- Decisions;
- Recommendations.

The EU's most recent Treaty is the Treaty of European Union, which was signed in Rome on 19 October 2004, amended on 13 December 2007, and came into force on 1 December 2009, but it has not been ratified yet.³⁵ In the latest official document – “Consolidated Visions of the Treaty of EU and the Treaty of the Functioning of EU” 2010, Part One [Title V] from the Treaty of EU, and Part Five [I-VII] from the Treaty of Functioning of EU have very detailed instructions on all aspects that concerning External Action and CFSP.³⁶ It acts as a “Constitution” that is at the highest level to regulate the EU's ADP. Anything that is related to the EU's ADP, from policy process, decision making bodies and functionality to values,

³⁵ "Eu Treaties," (2015), http://europa.eu/eu-law/decision-making/treaties/index_en.htm.

³⁶ Ibid.

principles, objectives and solidarity, can be easily found from the “Constitution”. The EU’s external actions rely on coherence of all Member States, so that the EU can act as one. The operational manual for the EU’s ADP is “European Consensus on Development”, which was published in 2006. It has been used as a guidance to the EU’s ADP operations in aid recipient countries. Europeans have a long and strong tradition of Social Contract, and it is their customs to put agreed parts in statements, and have participating parties to sign for ratifications.

China also has a Constitution, but it is very wide and general if comparing all the details to the EU’s, and the wording of the Chinese Constitution is very emotive. Articles about ADP or foreign policy cannot be found in the Constitution. Only in Part Three [Provision 67], it only states that the State Council oversees foreign policy.³⁷ Furthermore, “Administrative Measures for Foreign Aid-Trial Version” is the latest document can be found that regulates China’s ADP, and it was published by the Ministry of Commerce on 15 Nov 2014, and came into force on 15 Dec 2014. However, this document has no formal legal bindings because it is a Decision that made by Department of Foreign Aid, and with signing off by the Minister of Commerce only. There is no constitutional law concerning China’s ADP yet. The correct interpretation is that if the ACP contradicts with any law of any area, and according to the Legislation Law of PRC, the decisions that have been made on the ADP should be amended or even cancelled. Since 1990s, Chinese government has started to initiate a law that oversees the ADP, and there was a peak period for drafting such a law in 2002 and 2003, but died out by the end of 2003. The process has been held back by the Chinese State Council, and the launch for a comprehensive law on the ADP is expected to come soon. China’s ADP has not

³⁷ "The Constitution of People's Republic of China," (2004), <http://www.people.com.cn/GB/shehui/1060/2391834.html>.

yet had a legal status, because of the relative low level of importance, but once it is formalised, the implications are significant. On the one hand, a law is not as flexible and practical as a Decision. Making a new law takes a lot of resources and once it is finalised, it requires a long process to complete amendments when situation occurs. On the other hand, Decisions can be changed quickly by consulting think tanks within the Ministry of Commerce. Giving the fact that China's close engagement with the developing world urges China to work out a law that can ultimately direct the ADP.

2.7 Legal Contents

Comparing the legal basis of the EU and China's ADP is by comparing the elements listed in the "European Consensus on Development" (Consensus) and "Administrative Measures for Foreign Aid-Trial Version" (Decision). In Part One of the Consensus, It sets out the Common Objective which is mainly aiming for achieving MDGs, however, it is widely known that the mission has failed; poverty is still a huge phenomenon to many developing countries by 2015.³⁸ A new agenda – Sustainable Development Goals will replace the former one, and will be discussed and signed in Sept 2015. It redefines different dimensions for poverty eradication. Poverty is not only measured at an economic level, but also should considering social development, education, health, food, security, rights and environmental issues. These points are relevant to today's EU's vision on ADP. It reaffirms the EU's fundamental values on ADP and cooperating multilaterally to meet standards for ADP, which is aligned with the EU's strategic interests. It demonstrates the roles of owners, partners and civil society participates in the EU's ADP agenda, and states the EU's principles on political dialogue

³⁸ "European Consensus on Development," (2006), <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ%3AC%3A2006%3A046%3A0001%3A0019%3AEN%3APDF>.

engagement, gender equality as for human rights protection, and fragile countries' aid delivery.³⁹

The EU is clear about the policy scope in principles, and every participating body must share these aspects in common. It is understood as a proposal for future progress, such as, more funding for ADP, more effectiveness in aid, and better coordination in aid delivering and complementing other policy areas. These are issues that need improvement for a better aid strategy. It stresses on the coherence of ADP, factors including: international negotiation, security and globalisation.⁴⁰ They affect the ADP in terms of policy consistency because they oversee the EU, but regardless to the policy hierarchy, the EU makes sure there is no conflict. Although developing consensus at the international level is the most difficult task to achieve, the EU still promotes working within the international framework. The EU participates in international aid and development cooperation, which demonstrates the way that the ADP should be addressed with new global challenges.⁴¹ This also implies that the EU's ADP must face in combating poverty and promoting sustainable development in the long term.

In Part Two of the Consensus, it sets out the role of EU's ADP. The EU has a comparative advantage if acting as a community in aid and development. The EU's ADP cannot replace individual Member States' national ADP agenda, so it only seeks to add values. The EU's goals in ADP are: presenting itself with a global presence; having coherent and common actions; demonstrating aid efficiency; facilitating 3Cs-coordination, complimentary and

³⁹ Ibid.

⁴⁰ Ibid.

⁴¹ Ibid.

coherence.⁴² The EU gives instructions to aid projects according to contexts and needs. The EU is the largest donor, and its ADP meant to help the developing world, and it is important to have different segments for aid recipient countries. The requirements for aid resources allocation are transparent, and the EU's aid is distributed via geographic and thematic channels. Although geographic approach is more commonly used, since the EU's ADP has a legacy of colonisation. Thematic approach is a good tool to use when concerning "Trade to aid".

The EU manages to response to aid recipient countries' needs, that are trade and regional integration, environment protection, sustainable development, natural resources management, infrastructure building, communications, transportations, water and energy, rural development, territorial planning, agriculture, food security, good governance, democracy, human rights, support for political and economic reforms, conflict and war preventing, fragile state, human development, rights of children, rights of indigenous people, gender equality and fight against HIV/AIDS.⁴³ The EU address a wide range of issues that its ADP can cover. Positively speaking, the EU's ADP covers as many areas as it can which is very ambitious; negatively speaking, it is too wide and loose, yet not deep enough when take each issue into account. Nevertheless, both views reflect the nature of EU's ADP. There are a range of modalities that based on needs and performances when implementing ADP. The EU constantly monitors and manages its ADP implementation and conducting policy reforms whenever requires.⁴⁴ Overall, from the Consensus, the EU's ADP is viewed as a well-structured policy artificially. Since the EU exports its values and norms, the EU needs to commit to high ethical values. The Consensus only touches the surface of ADP because it

⁴² Ibid.

⁴³ Ibid.

⁴⁴ Ibid.

needs to be agreed by all participating countries, and sensitive issues can slow down the process. The EU's ADP is innovative in terms of its presentation.

China launched a Decision on ADP recently, and in first part of the Decision, it introduces the purpose of this Decision and defines the concept of aid, which sets a keynote for this Decision. It indicates that aid giving policy excludes countries that have no diplomatic ties with China (except for humanitarian aid).⁴⁵ This is mainly used to put restrictions on countries that have diplomatic relations with Taiwan. It demonstrates basic principles of China's ADP: respecting aid recipient countries' sovereignty, "non-interference", combating poverty, contributing in economic and social development, improving self-sustainable development and developing friendly cooperative relationship.⁴⁶ These are aspects that China learnt from its own developmental experience in combating poverty. It regulates the Ministry of Commerce's administrative power over ADP, which includes: project coding, planning, organising, implementing, financing, international cooperating, data collecting, statistics analysing, and project targeting and supervising.⁴⁷ Previously, China was quite ambiguous about which executive power oversees China's ADP, whether it should be State Council, Provisional Governments, Ministry of Foreign Affairs or Ministry of Commerce. Now, it is the time to clarify this to internal and external entities.

The second part aims to initiate a database of aid projects, which allows China to make mid to long term aid and development goals. The database will be used for project designing,

⁴⁵ "Administrative Measures for Foreign Aid-Trial Version," (2014), <http://www.cn.undp.org/content/china/zh/home/library/south-south-cooperation/measures-for-the-administration-of-foreign-aid-.html>.

⁴⁶ Ibid.

⁴⁷ Ibid.

budget planning, project accessing and selecting.⁴⁸ China receives more and more requests on aid from developing countries, and this database will manage all demands in an efficient way. By using the system, occurrence of projects overlapping and waste are expected to be reduced. It will also scientifically decrease human capitals that are allocated for conducting aid projects overseas. The third part reaffirms three forms of Chinese aid that are grants, interest-free loans, and concessional loans.⁴⁹ The aid delivers in terms of completed projects, goods and materials, technical cooperation, human resource development cooperation and volunteer services. This part has no changes from many existing documents, but defines what each term means in a technical way.

The fourth part concerns initial steps to take when conducting aid projects, that is, from pre-evaluating a potential project to creating a project contract.⁵⁰ The importance of projects evaluation is used to be neglected. However, since China's ADP becomes larger and more diverse in aid projects' type and location, there is a strong demand to urge the Ministry of Commerce to make more efforts in aid projects' research and evaluation. Before accepting a proposal on a specific aid project, China needs to have the knowledge to examine it. The fifth part regulates the implementation of aid projects through stricter supervision scheme and improved management.⁵¹ It gives instructions on how to conduct aid projects with respecting the partner countries' needs. It also stresses on illegal transferring aid projects to sub-contract companies for completion, which is a common problem within China's ADP. For instance, a sub-contract company hires workers to work in aid projects overseas, and refuses to pay workers' salary at the end of the aid projects. Workers work hard for a year and receive

⁴⁸ Ibid.

⁴⁹ Ibid.

⁵⁰ Ibid.

⁵¹ Ibid.

nothing when they return home. Sub-contract companies also have problem in project quality control which ruins the reputation of China's ADP. This supervision scheme aims to improve the current situation.

The sixth part explicitly explains the importance of aid projects related personal's security.⁵² Protecting people who work for aid projects overseas becomes important. After the Arab Spring Evacuation, China realised protecting aid workers in emergency requires sets of procedures in terms of. The seventh part states legal responsibilities of different entities that work on aid projects oversea, and if the law is breached, they are subject to penalties according to the provisions.⁵³ The enforcement of this Decision is to set out boundaries. However, how strict it can become in practice or how fair it can be still need to be testified. For instance, if a state company breached the Decision, will the Chinese government adhere to this Part of the Decision in the process of prosecution? After all, strict self-supervision and harsh self-punishments are difficult to believe. The eighth part distinguished that development aid works on a different module from humanitarian aid and military aid.⁵⁴ China mixed all types of aid together when China's ADP was led by a political motivation. In the past, development aid to Vietnam was also considered as military aid. The driver for China's ADP has changed in recent decades, therefore, China insists in clarifying aid types. China's Decision on ADP is a practical solution to many existing problems. Apart from stressing on aid projects pre-evaluation, implementation and regulation, this Decision is a step forward for China's ADP. Optimistically, China is working to establish a law based ADP.

⁵² Ibid.

⁵³ Ibid.

⁵⁴ Ibid.

Differences in legal content for the EU and China demonstrate the fundamental difference in their approaches. The approach for China's ADP is "bottom-up", whereas, for the EU's ADP is "up-bottom". China's policy and law are often behind what is happening in the field. Once problems are accumulated to a certain level, the Chinese government creates new law to combat the problems. China's approach is "bottom-up" as ideas that are generated at the top governmental level are often inspired by people at the bottom. The EU is quite opposite because Member States at the bottom are not united initially. In order to bring a unified ADP to reality, the EU's ADP can only be planned at the top level which needs to be generic and broad. The EU promotes its ADP enthusiastically, so that each Member State can accept it. Another major difference is that the EU concerns about values and principles not being delivered or received correctly by the aid recipient countries, but China concerns about unprofessional delivery of aid projects damages its image and reputation.

2.8 Conclusion:

The EU and China's ADPs have many differences, such as actors and institutions, budget funding, forms of aid delivery, ADP concepts, legal basis and legal contents. They have different strengths and weaknesses, as well as different approaches. Their differences are due to different ways of operating their ADPs, which are determined by what they are internally. Different actors and institutions of the EU and China reflect their different policy motivations; different budget and funding scheme demonstrate different objectives; different approaches of aid delivery indicate different policy focus; different concepts express different ADP philosophies; different legal foundations reveal different policy priorities; different legal contents distinguish their different tactics. Apart from the differences, the EU and China share many similarities as they both seek to maximise their potentials in ADP. In order to

increase influences through international power politics, which is the ultimate goal for any entity, the EU and China choose the most effective aid and development strategies to serve their interests.

CHAPTER THREE

LITERATURE OVERVIEW AND THEORIES

3.1 Abstract

This chapter considers that aid and development studies are aligned with the discipline of Political Science. These considerations can be sub-categorised into different areas of study, such as Political Philosophy, International Relations, Great Power Politics and others. This thesis works within the sub-discipline of Political Science, which is International Relations, as this paradigm is the central to studying the relationship between aid donor countries and aid recipient countries. This is examined because Political Science supports the development of Realism thinking, and the theory of Realism can be used to explain the EU and China's ADPs at the macro-level. Realism can also be used to explain phenomenon such as China Threat theory. This chapter begins with a discussion on human nature, with an emphasis on human behaviours in politics, and especially, how human nature impacts on great power politics for the EU and China's ADPs. This chapter also argues that the competitive characteristic in great power politics is widely accepted by Neo-Realists. Finally, the Game theory, which is a theory within the school of Realism, is chosen to demonstrate the aid recipient countries' options based on the EU and China's ADPs. The concept of Prisoner's Dilemma is selected to examine different scenarios when the EU and China implement their ADPs.

3.2 Aid in the context of Political Science

Theories of Political Science have become prominent in the years following the Enlightenment period, and naturalists believe the understanding of nature is key to theorising political concepts, and suggest that the first proposition is to distinguish certainty and uncertainty. As suggested by Gauthier, Hobbes's preoccupation is that political philosophy is demonstrable because the commonwealth is created by us.⁵⁵ However, this statement is only correct under a theological assumption, that is, the concept that God has the capacity to create us and so he has the ability to manage us. It is paralleled by considering that humans invented politics and policies, including ADP, thus we should be able to manage ADP. In Leyden's interpretation of Locke's "Law of Nature" which was published in the 1660s, this workmanship idea is attractive as it appeals to certainty.⁵⁶ However, detaching ADP from the theological background seems necessary, because of the variation in faiths and beliefs throughout the human culture.

Nevertheless, the act of trying to doubt or deny anything actually affirms its certainty. The early Enlightenment period thinkers structured the modern political thinking with continuous logics inherited from the Early and Medieval times. They determined that politics, first of all, must be a commitment to science but not to religion. In other words, if the thinkers are right, science should be able to provide the answers for how to manage political entities in our society, and science should be the core value of individual freedom that respects the rights of human beings. However, sovereign individualism is often derived from religious concepts, such as we have equal access to God's words, we are equally God's property and God gave the world to mankind in common. Thus, Enlightenment philosophers like Descartes, determined that authoritative knowledge couldn't be the peculiar possession of any particular

⁵⁵ David Gauthier, *Hobbes's Social Contract* (1988).

⁵⁶ W. von Leyden, *John Locke and Natural Law* (Cambridge University Press, 1956).

person. Descartes supports the existence of Political Science in his saying “I think, therefore I am”.⁵⁷ Descartes can be considered as a founding member of Political Science as he philosophised during the Revolution of England when the form of sovereignty changed from monarchy to parliament. Facing Natural Law, people are considered equal even when one possesses more power than the other. Kant also expressed the same concept by saying “all men are created equal” which is later on pointed out again by Arkes.⁵⁸ Applying this concept to the thesis, aid recipient countries have equal status as the aid donor countries.

Since Hobbesian and Locke’s theories of science are rather transnational, and could not be separated from man’s traditional religious way of thinking, Jeremy Bentham does not appeal to Natural Law but only to Utilitarianism.⁵⁹ Bentham asserts that understanding human nature is simple, as humans generally only seek pleasure and avoid pain. He considers that all the political institutions and countries should be built around this fact, in practice, countries or political entities increase power to reach maximum pleasure and build up security foundation that protect them from harm. This is the primary reason that motivates aid donors and aid recipients if Locke is right. Utilitarianism brings this idea to an extreme end where strengths and limitations are both exhibited.⁶⁰ The strengths and limitations might not be able to be observed in reality, but the idea is very useful as a diagnostician. Utilitarianism allows one to observe what could happen when going beyond the limits of political power, and therefore there is always a higher power determinants appropriate limitations.⁶¹ Seeking balance and limitations is the only way to achieve a successful ADP for any aid donor, this is because

⁵⁷ "Rene Descartes," <http://www.iep.utm.edu/descarte/>.

⁵⁸ Hadley Arkes, *First Things: An Inquiry into the First Principles of Morals and Justice*, (Princeton, Princeton University Press, 1986), 68.

⁵⁹ *Jeremy Bentham : His Life and Work*, (Greenwood Press, 1970).

⁶⁰ Krister Bykvist, *Utilitarianism: A Guide for the Perplexed* (Continuum International Publishing Group, 2010).

⁶¹ *Ibid.*

Utilitarianism interprets the EU and China's ADPs from a realistic perspective and asks the limitations or boundaries in the EU and China's ADPs.

3.3 Aid and Great Power Politics

Political scientists try to define the nature of political power, and look for theories from Political Science discipline to explain the social phenomena, and the action of different parties. Nation states are made up or constructed by individual people, and people are capable of at a sovereign state level and how it can influence interaction at a higher level. It would be totally sensible to look into the studies of Human Nature, by researching ancient philosophies from the East and the West. The philosophical studies about "human nature" are facts on the ground and they can be mainly about capacities and values that are important to what someone is.⁶² Power, in its primary sense, is the capacity of something to be, or to do, or to become something. The Cambridge Dictionary defines "power" as the ability or right to control people and events, or to influence the way people act or think in important ways.⁶³ Power is viewed differently in various cultures and societies, or vary to all kinds of social classes and genders. Interestingly, when we consider power, and often, thinking in a similar way, in terms of what power is and how to describe it. In this thesis, the word "power" means the capacity and values that a country or polity possess, in order to maximise intended efforts and specific interests.

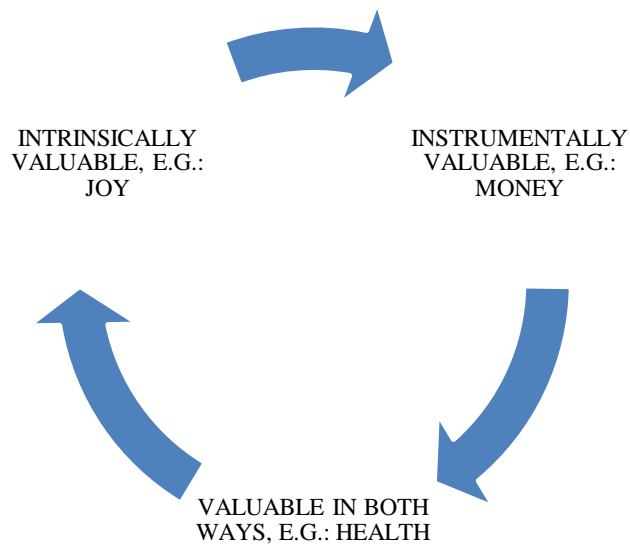
Putting this concept of power in the ADP context, because aid is so important to the aid recipient countries, in order for the aid donor countries to gain power to maximise their interests and needs. Adversely, if the aid recipient countries have capacities and values that

⁶² Joel J. Kupperman, *Human Nature : A Reader* (Hackett Publishing Company, Inc., 2012).

⁶³ "Power," in *Cambridge Dictionary* (UK: Cambridge Press).

are needed by the aid donor countries, the power shifts. If power and human nature are so inseparable in definition, then one should try to examine the natural relationship between them. In order to prove that it is human nature to seek power in international politics, first of all, we must explain why power is valuable to human beings. Generally speaking, things are valuable in this world have the following three characteristics, which are shown in Diagram 3.2.a.

3.3.a. Things are Valuable in Three Ways



- Things can be intrinsically valuable, such as happiness and harmless joy, which are valuable as what they are, but not because what they can provide in addition.
- Things can be instrumentally valuable, for example money, which is used to get to other ends.
- Things can be valuable for both of the above reasons, such as health, give people pleasure and also enable people to fulfill other wishes.

Power is valuable and important both intrinsically and instrumentally, because it is valuable by the very nature of human behaviour and also is useful to gain other ends; for instance, power by itself is useful because it can protect the possessor as we usually stand in awe of powerful people, and power can be facilitated to acquire resources. Whether they are aid donors or aid recipients, they have one thing in common; that is trying to hold power and gain more if situation permits, they also compete for power, secure existing power and gain potential power through ADPs.

The most extreme example of power politics is war. Wars are result of clash of powers, and the concept of power is stimulated and exaggerated during and after wars. When we enjoy peace and affluence, does power politics slowly fade away from people's minds, or people pretend it does not exist anymore? A concept from Chinese philosophy stated in Spring & Autumn that reminds people that "be prepared for danger in times of safety".⁶⁴ Expanding from this philosophy reveals that people should not only give aid when there is war, but should always give even when there is peace, because danger and safety are two opposed national security status, and they are reciprocally transformable under certain circumstances. All nation states aim to have a secure environment because the ultimate goal for everyone is survival. To the aid recipient countries, the EU and China's aid should be primarily for helping them to survive and develop, and helping them to maintain their political power in order to protect their citizens. To the EU and China, their aid is for strengthening their political power and having influence over the countries who receive their aid, in order to achieve security and prosperity.

⁶⁴ "Juansiwei," http://chengyu.zzstep.com/mingju_content.php?classid=772&contentid=15816.

A great power is a state that is capable of holding its own against any others. Beyond the *sine qua non* of being Realism, competing in great power politics is unavoidable. Stronger nation states do not need to invade the weaker ones for survivals but do so out of greed and selfishness which are part of human nature, therefore, invasion persists. Realism views human beings as egocentric and power is figment.⁶⁵ From the 1648 Peace of Westphalia to the 1713 Treaty of Utrecht, the International Relations studies developed progressively, and the theories of International Relations related researches are widely accepted and referenced often as an instrument in the policy making of ADP. Events and activities have repercussions that beyond nation states' borders or domestic control are often perceived as foreign affairs, otherwise, would considered as domestic affairs, therefore, ADP is fundamentally considered as a foreign policy are.⁶⁶ Moreover, having international interactions with sovereign governments, intergovernmental politics and nongovernmental organisations are also useful approaches within the International Relations for the ADP. After all, the idea of ADP is man-made within the scope of International Relations in the modern era.

3.4 Aid as being interpreted by Realism

Early Realist scholars in the International Relations talked about interaction of great powers. Niccolo Machiavelli (1469-1527), an Italian Renaissance philosopher, wrote that rulers are either heredity to possess power or private citizens come to power, which is an important idea from his book *The Prince*.⁶⁷ Machiavelli's concept is recognised as antecedent to Realist way of thinking. The EU is a polity that holds on to the power from the previous European success and fame which is easy to hold on to the hereditary states; in comparison, China is a nation

⁶⁵ Stefano Guzzini, *Power, Realism and Constructivism* (Routledge, 2013).

⁶⁶ S. A Smith and Amelia. Hadfield-Amkahn and Tim Dunne, *Foreign Policy: Theories, Actors, Cases* (Oxford University Press, 2012).

⁶⁷ Carlo Celli, *The Essence of Machiavelli's the Prince* (Axios Press).

state that invest in power either through fortune that can gain growth or through strength that can obtain new acquisitions. The EU needs to secure interests and being stabilised for retaining the hereditary power and avoids all extraordinary and overwhelming forces, otherwise, the EU loses its status quo as a major aid actor. China, on the other hand, seeks more power through ADP and potentially becomes a significant aid player.

A great power must have enough resources to safeguard itself at the first place, and secondly, it must be able to be independent from allies of other great powers. Here, we assume that China and the EU do not need to dependent on the support of any third country for survival and they have sufficient economic and military reserves to against opponents. Great powers' interactions at an early stage are based on self-protection and securing territories, so the early Realists are mainly focused on traditional security issues and military capacity building. For instance, the EU worries about border security and fights against illegal immigrants, and the EU's ADP reflects this concern by giving aid to the North African and Middle East (NAME) countries and addressing the refugees issues. However, China's aid to NAME countries is more strategic planned in the post-Arab Spring period. *Chapter Six* has details about how the EU and China reacted to the Arabic Spring when providing aid.

Hans Morgenthau is the leading figure and one of founding fathers of Realism theory in the twentieth century. Morgenthau's Realism and his six basic principles that can be applied to the principle of aid which has been illustrated by Scheuerman.⁶⁸ Political Realism believes that aid is governed by objective laws that have their roots in human nature, and the main signpost that helps political Realism to find its way through the landscape of international

⁶⁸ William E. Scheuerman, *Morgenthau* (Polity Press, 2009).

politics is the concept of interest defined in terms of power in ADP.⁶⁹ Realism assumes that the key concept of interest in ADP defined as power is an objective category which is universally valid, but it does not endow that concept with a meaning that is fixed once and for all.⁷⁰ Political Realism refuses to identify the moral significance of aid action and refuses to identify the moral aspirations of a particular nation with the moral laws that govern the ADP.⁷¹ Above statements are classic perceptions about interpreting aid through Realism as power is part of human nature, interests and power are inseparable, and Moral standards are not considered. Realism is practical and real in both the EU and China's ADPs.

Realism's radical approach is further developed by the theory of Marxism, which claims that conflicts in International Politics are a result of capitalism and power imbalance.⁷² The conflicts between rich and poor or developed and developing countries are unavoidable.⁷³ There are steps that can be taken to ease the conflicts as thinking in a more positive way and the ADP is one of the tools that being used to achieve this goal. Nevertheless, Realists considers the ADP as an instrument to accomplish real goals, which includes, winning in power politics for aid donors and eradicating poverty for aid recipients. The extreme realists argue that all actions should only concern about self and even concerning the others is for the purpose of benefiting self at the end.⁷⁴ Therefore, the ADP can be identified with a Realistic feature because helping the aid recipient countries is for helping the aid donor countries themselves. Moreover, Neo-Realist theory tries to explain the co-existence of war and peace

⁶⁹ Ibid

⁷⁰ Ibid

⁷¹ Ibid

⁷² Tom Rockmore, *Marx after Marxism* (Blackwell 2002).

⁷³ Ibid.

⁷⁴ Jonathan Joseph, *Hegemony* (Taylor & Francis Ltd/ Books, 2002).

in the IR system, and has some fruitful results.⁷⁵ Tensions, conflicts and wars are inevitable, but Neo-Realism explains that the structure of IR also provides a kind of power that can prevent conflicts.⁷⁶ The EU and China are different in many ways which have been illustrated in the second chapter. Regardless of their individual behaviour in the ADPs, they have a common goal to achieve – survival. Stay rational, but taking into account of the irrational, instability and intentions of the others. The Neo-Realism is designed to understand interactions between two Nation States and has little interests in institutional building. The EU is more than an institution and less than a nation state; it is very unique in this regard. In this thesis, the EU is considered as a super-national institution and in compare with China - a Nation State, in the area of ADP.

The history suggests that “Great Powers are travelling on the stream of time, which they can neither create nor direct, but upon which they can steer with more or less skill and experience”.⁷⁷ Historians often discuss about interactions among the UK, France and Germany in the eighteenth and nineteenth century, and competition between the US and the SU in the twentieth century. The industrialisation enforced a new world order which was based on war winnings or competing in military capacity. Some European countries were super powers with worldwide colonies and territories, which allowed it to flourish for centuries. However, as they became more accretive and expansionist, they carried out too many obligations and commitments, as well as declining in economy at homeland, consequently, they lost the leading role in international politics; they gradually fell behind. When the balance is destroyed in hierarchic power, the world order is reshuffled. Nevertheless, in the twenty-first century, with the formation of the EU, Europe prepares to

⁷⁵ Scott Burchill, *The Theories of International Relations* (Palgrave).

⁷⁶ Siegfried Schieder & Manuela Sindler, *Theories of International Relations* (Routledge).

⁷⁷ Paul Kennedy, *The Rise and Fall of the Great Power*, Epilogue (London: Unwin Hyman, 1988).

become a great power again with a larger population and greater ambitions. The EU has been perceived as a powerful economic and trading block now. Because the EU has problem to identify itself as a super power in many areas, the ADP remains one of the few areas that the EU could have a consensus on; act as one.

Quite oppositely to Europe, China had been ruled by the other nation states twice in history: the Yuan Dynasty (1271-1368) and the Qing Dynasty (1616-1912).⁷⁸ China was semi-colonised after the Opium War in 1840. After years of striving for development, China got out of poverty and it was at the stage of expanding and aimed to become a great international power. Many scholars prefer to describe China's rise as "re-emergence" since China had wealth and power in the ancient time. It makes more sense when discussing about multilateral issues includes the presence of an emerging power - China. Hence, including more and diverse participates also gives the EU more platforms to take part in high level politics under a multipolar setting. The historical approach was shared by many scholars and historians, but political scientists and policy analysts often unsatisfied about this approach and argued that it lacked of theoretical support; not rigorous enough.⁷⁹ The theory of Realism suggests that the world is anarchy fundamentally and on one has central power to govern all the countries.⁸⁰ The goal of surviving and securing national interests is that nation states must compete with each other, and the rise and fall of powers are basic norms of change and development in International Relations. It is believed that nation states struggle for power and constantly maximize and exercise their power through political, economic and military means, in order

⁷⁸ The Chinese government officially does not talk about this as ruling or invasion, because the Mongolians and Manchu people are all fully integrated with the Han Chinese who are the majority population of China. This is for the purpose of creating peace among 56 different ethnic groups.

⁷⁹ Burchill, *The Theories of International Relations*.

⁸⁰ Ibid.

to take care of acquisitive motives. The concept of power is rather universal, and itself is natural and substance of societies. In a parallel term, it can be defined and justified.

3.5 Aid donor - recipient relationship interpreted in Māori Concepts

One can argue that power politics is a result of natural selection, for instance, Herbert Spencer, the father of Social Darwinism, pointed out that social order is accounted as the product of natural selection of the persons that best suited to existing living conditions and in accord with which a position of Laissez-Faire is advocated.⁸¹ The slogan of “survival of the fittest” presents the core idea of Social Darwinism. Thus, within the guidelines of this ideology, European Colonialism found expansion natural and inevitable, because European Powers were fitter for survival and would have to take over the indigenous population and to rule their countries as colonial outpost.⁸²

Tracing the origin of European aid, the EU's aid is closely linked to European colonialisation because it is used as a way to maintain relationship with former colonies. The EU aid has an attitude of teaching the aid recipient countries about how to develop their countries, which is often criticised by aid recipient countries. In Māori philosophy, the concept of Tuakana (older siblings)/Teina (younger siblings) can be used to study this kind of unequal relationship exists in the EU's ADP. It often is believed that Tuakana possess greater power and knowledge whereas Teina are learners who should learn from Tuakana, for example, in the principle of whanau (family), it seems that, in theory, older brothers and sisters teach and

⁸¹ Herbert Spencer, ed. Mark Francis and Michael W. Taylor (Routledge, 2015).

⁸² Bannister Robert C., “Social Darwinism”, *Microsoft Encarta Online Encyclopedia 2000*, accessed on 14/02/15, <http://autocwww.colorado.edu/~flc/E64ContentFiles/SociologyAndReform/SocialDarwinism.html>

guide younger brothers and sisters.⁸³ However, it is not always the case in reality, because Teina can also teach Tuakana knowledge that Tuakana does not have, which happens in every whanaunga (family based relationship) and society. Although it appears that Europeans are more advanced but it does not mean that the EU knows everything better and more than the aid recipient countries similar to the first definition of tuakana. Perhaps the aid recipient countries know better about themselves or have better approach when developing their own countries like the second definition of teina, and they should play a more predominant role in how to use the aid. The current EU's ADP drives to develop an equal partnership that are willing to work together with the aid donor countries, and tries to shift itself from the old colonial way of thinking.

China's concept on aid has nothing to do with colonisation. All the voyages that China took throughout its history were only interested in getting to know the outside world out of curiosity, and learning about other people and places. The most famous voyage in Chinese history was led by Captain He Zhen during the Ming Dynasty.⁸⁴ Captain Zhen travelled to South-East Asia, and reached as far as East Africa for seven times. Apart from exchanging gifts and establishing early diplomatic ties which did not last for long, Captain Zhen's exploration has not achieved much when comparing to European voyages. This is because China was not interested in trading with the others and colonising other countries, thus, the positive side is that China has no historical burden when interacting with aid recipient countries in the modern era. They can teach and learn from each other in a relatively free style. Ako (teaching and learning), is one of the Māori philosophies which explains China's relationship with aid recipient countries. Although China is often perceived to be the teacher as the aid recipient countries want to learn from the experience of China's rapid growth and

⁸³ A. Royal-Tangaere, "Maori human development learning theory" in *Mai I Rangiatea: Maori wellbeing and development*, ed. P. Te Whaiti, M. McCarthy & A. Durie (Auckland University Press, 1997), 50.

⁸⁴ "China's Great Armada," (2008), <http://ngm.nationalgeographic.com/ngm/0507/feature2/>.

reducing poverty. However, Ako suggests that teachers are also learning from students at all times, and new knowledge and understanding about having a better ADP can grow out of shared learning experiences.⁸⁵ The concept of Ako recognises the important knowledge that both China and the aid recipient countries bring into their ADP interaction, and they need to operate in a manner of mutual development. China currently tries to focus on developing ADP based on the principle of reciprocity with the aid recipient countries.

Aid donors are normally seen as the instructors, trying to teach aid recipients what to do and how to do it, however, it is always crucial to take a step back and listen to the aid recipients to express their opinions about current ADPs, and learn from them. The reason for this is that the learned knowledge can be reflected back to develop better ADPs. Whether understanding the bilateral relationship in aid through Māori concepts of Tuakana/Tiena or Ako, the EU and China both need to recognise the importance of learning from the aid recipients which is the key to achieve aid effectiveness. Furthermore, issues on equal bilateral cooperation between donors and recipients will be further discussed in *Chapter Five*, focusing on the EU and China's ADPs implementation in the Pacific countries.

3.6 Aid and China Threat Theory

The strong presence of the EU's ADP in the developing countries has had challenges from the emerging powers, such as China. After decades of rapid economic development, China gained economic wealth which automatically transferred into power. The rapid growing economy empowered China's role in the international politics and being an emerging aid

⁸⁵ "The Concept of Ako", Ministry of Education, accessed 15/02/2015, <http://tereomaori.tki.org.nz/Curriculum-guidelines/Teaching-and-learning-te-reo-Maori/Aspects-of-planning/The-concept-of-ako>.

actor, China's participation in world aid and development is encouraged. The ADP is meant to act as a political instrument which serves the actors' interests.⁸⁶ Originating from the Great Power Politics and deeply rooted from the School of Realism, China Threat Theory emerged and became popular in early 1990s' in the US and then accepted by the wider Western world. Different countries have various attitudes towards a stronger developing country. Among all, the most widely reported statement is that China's ADP can pose a threat to the EU's ADP, and harm the existing world aid and international development system. The EU treated the China Threat Theory on the basis of two conditions: 1. Can China cope with its political and economic reformation? 2. Can China maintain the current economic growth and better growth in the future? There are several factors that contribute to the concept of China Threat Theory and interpretation in the context of ADP.⁸⁷

China's fast growing economy shocked the world. Western economists believe that China is increasingly becoming an economic competitor to them; no longer just a benignly business partner from the Far East. China as a powerful economic block expands its international interests into, not only the developed world, but also the developing world. The existing aid system had to face challenges from China in regions such as, Sub-Saharan Africa, the Pacific and the North Africa and Middle East in terms of ADP. China has a resource shortage at home, so Western politicians believe that there are good reasons for China to have a more aggressive ADP in the future. China has strong purchasing power and holds a great amount of foreign reserves.⁸⁸ The 2009 World Financial Crisis and followed by the European Debt Crisis made China begin to think of ways of spending some of the American dollar and Euro

⁸⁶ Devon Curtis, "Politics and Humanitarian Aid: Debates, Dilemmas and Dissension", (Presentation, Conference organized by ODI, POLIS at the University of Leeds and CAFOD, London, 01/02/2001).

⁸⁷ Emma Broomfield, *Perceptions of Danger: The China Threat Theory* (Routledge, 2010).

⁸⁸ "Chinese Currency Manipulation", *Economics Help*, accessed on 21/02/2015, <http://www.economicshelp.org/blog/2388/economics/chinese-currency-manipulation/>.

based foreign reserves, so China bought assets and capital from many other countries. Among those purchases, many purchasing agreements with the developing countries have some associations with the ADP. This made the West suspicious about China's ADP intentions.

Economic power could convert into military power. Enhancing military capability is the top national agenda for any nation state. The military capacity building for China, at this stage, aims to protect national territories, but the increasing economic interests overseas also intensifies the military modernisation process that China strives for. Of course, a military powered China would be perceived as a threat to many countries. For example, if China gives military related aid to some aid recipient countries that aid is rated as "dangerous", which could be a threat to the Western countries. China aims for domination in the Asia-Pacific region. In gaining this dominance, China was handed back their territories: Hong Kong (1997) and Macau (1999) were handed back to China from the UK and Portugal. Progressive negotiations with Taiwan also provide regional peace for China. Although the "War of Words" between China and Japan is perceived as problematic, China strategically positions itself as the leader of the Asia-Pacific region. In recent years, China had quite a few territorial disputes with neighbouring countries or better known as the members of Association of Southeast Asian Nations (ASEAN). For example, disputes over the right to control several Islands in the Asia-Pacific region. The West has numerous businesses and commercial interests in Asia-Pacific countries. For example, the EU has concluded the Free Trade Agreement (FTA) with South Korea and Singapore, and other FTAs in negotiation with Vietnam, Thailand and Malaysia which showed that the stability of Asia-Pacific is Europe's top concern.⁸⁹ The EU hopes to have a "region to region" FTA with ASEAN. China is

⁸⁹ European Commission, "Association of South East Asian Nations", accessed on 12/12/2015, <http://ec.europa.eu/trade/policy/countries-and-regions/regions/asean/>.

perceived as an aggressive regional power which makes Westerners worry and uncomfortable about China's rise. Furthermore, an insecure Asia will only give more financial burdens to the current international aid.

"The Clash of Civilisations" between the East and the West suggests that there are potential conflicts due to different civilisations.⁹⁰ The Western countries and China will always be different, and it is dangerous to have "you" different from "me". The West concerns are that China's ADP would be totally different at both the philosophical level and by posing threat to the current international order of aid. China's active participation in the multilateral international organisations are welcomed, but the current aid system do not serve China's interests, so China challenges the existing aid powers with a different way of thinking, which is considered as a threat to the original rule makers. The West hopes that China's ADP can be re-directed by integrating China into the existing global ADP regime. However, China demands changes and adjustments of the existing system. China also urges re-regulating the multilateral institutions at an international level. For example, the World Bank was reformed under such pressure, which aimed to embrace China's ADP into the system. No doubt, it was a challenge but more often being seen as a threat.

The China Threat Theory is nothing new because the Great Powers politics rise and fall throughout history and all the Rising Powers are treated as threats by the Existing Powers.⁹¹ The China Threat Theory, in a way, is a good demonstration of the Western countries' concerns over China's ADP. When issues concerning economic and social development (low

⁹⁰ Samuel P. Huntington, *"The Clash of Civilizations and the Remaking of World Order"*, (Simon & Schuster, 1996).

⁹¹ Adam Smith, *"An Inquiry into the Nature and Causes of the Wealth of Nations"*, (W. Strahan and T. Cadell, London, 1776).

politics) in ADP, the West is more relaxed and would like to engage in multi-level dialogues with China. However, if issues concerning security and military (high politics), the West is more sensitive and less tolerant.⁹² In general, the EU's ADP has responded to the China Threat Theory in a rational and proactive way, but in practice there varying successes. China has tried to promote an image of "Rise with Harmony" as a method to tackle the problem that was created by the China Threat Theory. In *Chapter Four*, this topic will be further examined within the context of the EU and China's aid to Sub-Saharan Africa region.

3.7 Prisoner's Dilemma

Prisoner's Dilemma is a typical example in the Game Theory. Great powers interact in all kinds of contexts and the Game Theory focuses on how decision makers interact in the decision making process. This way of thinking is very old and can be traced back to 540 BC, formalised by the great military strategist Sunzi in his book "Art of War". This book is considered to be the earliest record that is similar to today's Game Theory.⁹³ The ADP is a decision that is made by interested bodies as a collective decision, such as an institution and a nation state; or made by as an individual decision, such as a member of legislature and a leader. Prisoner's Dilemma where is a strategy that two players have two options and outcome depends crucially on the simultaneous choice made by the other.⁹⁴ This can be simply illustrated in the following table:

Table 3.7.a: Prisoner's Dilemma

⁹² Herbet S. Yee & Ian Storey, *The China Threat: Perceptions, Myths and Reality* (Routledge, 2002).

⁹³ Lorrany Lo, "Sun Tzu and the Art of War," (2014), https://prezi.com/iw-ycuq_dg8l/sun-tzu-ad-the-art-of-war/.

⁹⁴ "Prisoner's Delimma," https://www.google.co.nz/search?sclient=psy-ab&rlz=1C1CHWA_enCN533CN534&site=webhp&source=hp&q=prisoner%27s%20dilemma%20definition&oq&gs_l&pbx=1&bav=on.2%2Cor.r_cp.&bvm=bv.90237346%2Cd.dGY&biw=1242&bih=584&dpr=1.1&ion=1&expnd=1&brd=1428578363611000&rct=j.

If each prisoner makes a rational decision, then the decisions must be based on an analysis of $II > I > IV > III$. The best result for prisoner A and prisoner B is gaining freedom, and this can only be achieved by keeping silent himself while the other one confesses. The second best scenario for each of them is serving one year in prison when they both keep silent. If they both confess, then each of them serves two years in prison. The worst scenario is when one

	Prisoner B remains silent	Prisoner B confesses
Prisoner A remains silent	I: Each serves one year	II: B goes free III: A serves three years
Prisoner A confesses	II: A goes free III: B serves three years	IV: Each serves two years

confesses and the other one does not, whoever keeps silent must serve three years in prison.

Of course, each prisoner does not know the other person's decision before he makes a decision. The Realists would suggest that, if their decisions are rational, both of the prisoners should choose option IV.

The School of Realism often poses the worst scenario to people and asks people to consider the worst scenario before making decisions which reflects the core value of Realism: be rational and be prepared for the worst to happen. If there is anything better than your worst estimation, it should be treated as a bonus. Realism involves many realistic way of thinking, and the Game Theory is one of the important theories in the School of Realism that emphasis on two or more actors' decisions. The Prisoner's Dilemma is a comprehensive way to

demonstrate the EU and China's ADP in a network of international cooperation and competition. The EU and China are two donors with their separate ADP agendas and all the decisions that made by them are based on a self-directed basis; without discussions. Four basic scenarios that the EU and China as Aid Donors in Prisoner's Dilemma Theory are projected:

Table 3.7.b: The EU and China as Aid Donors in Prisoner's Dilemma Theory:

	China works with aid recipient countries	China do not work with aid recipient countries
The EU works with aid recipient countries	I: Both obtain influence	II: The EU gains influence III: China loses influence
The EU do not work with aid recipient countries	II: China gains influence III: The EU loses influence	IV: Both lose influence

According to the rule of $II > I > IV > III$, the best result for the EU occurs when the EU works with aid recipient countries but China does not; the best result for China occurs when China works with aid recipient countries but the EU does not. The second best result occurs when the EU and China both choose to work with aid recipient countries as they both gain

influence. Following by the less favourable result, which occurs when the EU and China both choose to not work with aid recipient countries. The worst result for the EU occurs when China works with aid recipient countries but the EU does not; the worst result for China occurs when the EU works with aid recipient countries but China does not.

A simple analysis is that the EU and China have their ADP political agendas aiming to work with aid recipient country and ultimately, win influences and fulfil national interests through ADP.⁹⁵ Moreover, in every ADP, apart from concerning donors – the EU and China, the recipient countries are also the main targets. The aid recipient countries are passive and can only wait for decisions that made by the EU and China, and they are directly affected by the decisions. However, the Prisoner’s Dilemma theory suggests that the aid recipient countries’ responses to either the EU or China’s ADP can affect the two parties’ goals and the result of wanting to gain influences in the aid recipient countries. The aid recipient countries’ responses can be examined within the theory of Prisoner’s Dilemma as well. Please see Table 3.7.c.

Table 3.7.c: The Aid Recipient Countries’ Responses under the theory of Prisoner’s Dilemma:

	China works with aid recipient countries	China do not work with aid recipient countries
The EU works with aid recipient countries	Aid recipient countries gain from both the EU and China	Aid recipient countries gain from the EU only (2)

⁹⁵ In the table 3.5.b, the condition – “work/ not work with aid recipient countries” can be replaced by, such as “giving more aid to aid recipient countries/not...” or “offering better developmental projects to the aid recipient countries/not...”. Anything that is similar in nature can replace the original assumptions, and the Prisoner’s Dilemma theory is still working fine with the replacements and giving readers the same results.

	(cooperation scenario: gain 1) (competition scenario: gain 3)	
The EU do not work with aid recipient countries	Aid recipient countries gain from China only (2)	Aid recipient countries gain nothing (0)

From the best result to the worst result, the ranking is $3 > 2 > 1 > 0$. The aid recipient countries aim for the best and it only happens when the EU and China compete, on the basis of distrust each other and want to dominate. Then, the aid recipient countries can have a chance to “play” between them and gain more attentions and consequently, receive more aid and development funding. The second best result for the aid recipient countries is when there is only one aid donor to cooperate with, either the EU or China, and they have a little or no say over aid issues and gain whatever the donor offers. If the EU and China choose to cooperate on the basis of mutual understanding and trust, the aid recipient countries would lose as both donors have the same stand and acting as one negotiation opponent, which will leave the aid recipient countries with no other options but accept whatever they give. The worst scenario is very unlikely to occur as both donors choose to not give any aid which is considered as unusual.

According to Realism, human nature is selfish and not trustworthy, so that the EU and China will unlikely cooperate. To a certain extent, Realism explains that the aid donors and aid recipients behave in a strictly rational way. The aid recipient countries would like to see the EU and China compete with each other as this gives them the best result. At the same time,

the EU and China would like to be the sole partner or at least the primary partner to aid recipient countries, in order to secure their political and economic interests. According to the Prisoner's Dilemma, this thesis needs to focus on the decisions that are made by the EU and China and their competitions in the ADP, as well as the aid recipient countries' reactions. Similar to the Darwin's evolution theory, the Game Theory also agrees that evolution is about eliminating irrational and incompetent players because they are unfit.⁹⁶ The Prisoner's Dilemma is one of the Game Theories which aim to teach people how to play a game in a rational way, but a rational way does not equal to a best way.

In concept of cooperative Game Theory, there are cooperative and non-cooperative Game Theories.⁹⁷ Unlike animals, the pervasiveness of humans' cooperative behaviour is traditionally driven by social and moral forces. The EU itself is a cooperative body that based on common values and objectives, and it has great understanding and appreciation of cooperation, whereas China is a country with a population of diverse ethnic and cultural backgrounds so that China also knows the importance of cooperation. Under cooperative Game Theory, players can coordinate with each other and share the payoff, which is also understood as coalition.⁹⁸ Human nature is more complex than the Neo-Realists expected, as it can be selfish and selfless at the same time; it can be cruel and sympathetic at the same time; it can be rational and emotional at the same time. Human nature is complex in nature, so cooperation and non-cooperation behaviours appear at the same time.

⁹⁶ Mark L. Burkey, *Game Theory: Anticipating Reactions for Winning Actions* (Business Expert Press, 2013).

⁹⁷ Ibid.

⁹⁸ John C.S. Liu, "Introduction to Game Theory: Cooperative Games," The Chinese University of HK, access date 20/02/16, http://www.cse.cuhk.edu.hk/~cslui/CSC6480/cooperative_game.pdf.

The EU and China can cooperate in certain situations but not in every issue. The EU and China are both aid donors and they are powerful enough to act alone, but they still choose to cooperate within the international aid and development framework. *Chapter Four* examines the current situation of international framework for the EU and China's cooperation on aid and development issues in Sub-Saharan Africa. Cooperation is perceived as an idealistic way of approaching the ADP by many people who work in this field. Idealists focus on using legal instruments to encourage different parties to negotiate via international channels. Applying international regulations and laws when require in order to accomplish aid and development goals.

Realism promoted a notion of great power politics has become less popular, whereas peace promotion became largely accepted after the two World Wars, because using hard power to pursue national interests is far too extreme and dangerous.⁹⁹ International cooperation aims to ask all aid actors to act cooperatively on both bilateral and multilateral levels.¹⁰⁰ The establishment of the United Nations is the biggest achievement of Idealism and people hope that international cooperation can be operated and managed by this kind of international institution. Idealistically, International organisations are platforms for rising powers to interact with existing powers. Participations of the EU and China at international level are encouraged because of idealistic view and belief. However, if disagreements or conflicts persist, the pure form of idealism seems to be invalid. The cooperative game theory can be applied to the EU and China's cooperation in ADPs, but it can never replace the realist phenomenon. Therefore, the chances to exercise the cooperative game theory are rather limited.

⁹⁹ Ionut Serban, "Theories and Concepts in International Relations-from Idealism to Realism," *Revista De Stiinte Politice* (2013).

¹⁰⁰ Burkey, *Game Theory: Anticipating Reactions for Winning Actions*.

3.8 Aid in the notion of Development Theory

Unlike the theories that have been discussed in the previous articles, the notion of development theory has only become a separate research body late last century. The first sub-theory is called modernization theory which has no particular attribution from any person, and it started to become a trendy topic among American social scientists in 1950s. This theory explains the process of how a nation state transforms from a traditional or underdeveloped condition to a modern one.¹⁰¹ Developing countries need to overcome internal difficulties. In order to become a modern society, the developing countries can achieve development goals with professional assistance from the developed countries.¹⁰² Aid, therefore, becomes meaningful; aid is then viewed as a positive. Development theorist Walt Rostow suggested that there are five stages that developing countries need to go through before they can fully become developed countries.¹⁰³ Another developmentalist Jeffrey D. Sachs agrees with Rostow to a large extent, as they both consider aid is an effective tool to eradicating poverty.¹⁰⁴

The modernisation theory is a classic way in interpreting development from a Western based capitalist point view, and it applies to many developing countries' pathway to be developed. When countries are at the first stage, their economy is highly agriculture based, subsistence only increases slowly, labour is cheap and low trade volume over all. Most aid recipient

¹⁰¹ J. Michael Armer & John Katsillis, "*Global Issues in Context*", accessed on 23/02/16, <http://find.galegroup.com/gic/infomark.do?&idigest=fb720fd31d9036c1ed2d1f3a0500fcc2&type=retrieve&tabID=T001&prodId=GIC&docId=CX3404400243&source=gale&userGroupName=itsbtrial&version=1.0>

¹⁰² Ibid.

¹⁰³ Tony Binns, et al., "*Geographies of Development: An Introduction to Development Studies*", (Harlow: Pearson Education, 2008).

¹⁰⁴ Jeffrey D. Sachs, "*The End of Poverty: Economic Possibilities for Our Times*", (Penguin Group, 2005).

countries are at this stage, especially countries on the list of least developed countries which is classified by the UN. Aid needs to be allocated to the most vulnerable sectors of people's lives, such as, food and medical care. Countries develop into the second stage start to experience faster economic growth and increasing international trade with other countries. They emphasis on infrastructure and manufacture and often become specialised in producing certain commodities. Many South-east Asian countries and South American countries are at the second stage, and aid is helpful if it is allocated to building better infrastructure, such as transportation, for the aid recipient countries.

Once countries enter into the third stage, their economy is ready to take off, the wealth that was generated previously is injected back to further developing the countries' economy. Therefore, entrepreneurship and industrialisation begin to flourish, and countries enjoy a period of intensive growth and even with some social, economic and political reforms. At this stage, aid needs to be used on projects that can help countries to transit smoothly without travail, such as offering technical training to leaders from all sectors of aid recipient countries. The fourth stage is when countries focus on issues such as innovation in technology, a need for better health care, more advanced educational opportunities and society has a feature of diversification in their ideas and ways of living. For example, China (arguably, only some parts of China) entered this stage about a decade ago, and the majority of aid that goes to China stopped once China reached this stage, and only a small amount of aid remained, at the same time, China became an aid donor. For a period of time, China had double identities of being a donor and a recipient which is unavoidable in the transitional stage.

The last stage is when countries achieve capitalism, which means they have mass production and consumption of goods and services both domestically and internationally, their citizens' real income increases, and they may take care of their social welfare and national security issues. The most agreed example is the US, which is a highly capitalised country. Developed countries are usually aid donors for various internally and externally reasons. However, modernisation theory faces criticisms from being too generalised or homogeneous because each developing country is unique and different, and each developed country is unable to be duplicated as capitalism has taken different forms in developed countries. The aid and development methods cannot be regarded as "one fits all". This is because modernisation theory ignores people's choice, as if everyone wants to choose the path of capitalism. There are people or countries that want to keep their original way of living; keep their own culture, and refuse to adopt capitalism, such as many Pacific Islanders. Of course, there are countries that want to keep their core culture as well as combine it with elements of capitalism, such as Japan. The reason for a country to achieve development may not as narrow as the modernisation theory suggests, because a country's conditions, such as geography, have pre-determined how can the country develop and what is the country's affordances and limitations, for example, Singapore. If the fact that development takes place in each country is totally random, we certainly cannot assert that modernisation theory works for all.

Dependency theory is also known as Prebisch-Singer hypothesis which became popular in the 1960s, where it implies that developed countries are at the centre of global wealth that receive resources from poor developing countries.¹⁰⁵ Dependency theory is a way of understanding aid and development issues from a Neo-Marxist perspective, which suggests that the

¹⁰⁵ Denise Miles, "*Dependency Theory in Sociology: Definition & Examples*", accessed on 21/05/2015, <http://study.com/academy/lesson/dependency-theory-in-sociology-definition-examples.html>

capitalist class exploits the working class. Dependency theory also indicates that developed countries exploit developing countries by making them economically dependent on the developed countries.¹⁰⁶ The international trade mechanism promotes multi-layered global trade between developing and developed countries, but developing countries can only generate raw materials, cheap labour, low technological products and markets for trade. Developing countries are totally dependent on trading with developed countries for living, which is concluded as a form of neo-colonialism. Apart from the economy, developing countries' political, financial, social, cultural, health, education and other aspects of lives all need to rely on developed countries to help guide their development.

Consequently, there is no way that developing countries can escape exploitation and become developed. Aid is perceived by optimistic policy makers in the field of aid and development as a method to break this cycle of exploitation, but the question of its effectiveness remains. Aid and development funds that lend to the developing countries leave them with a large amount of sovereign debts. The only way for the developing countries to pay back is establishing trade links with developed countries, so exploitation still persists. Major criticisms on dependency theory are: being too abstract; establishing an argument based on debatable concepts, such as colonisation and sovereign state; acting as Eurocentrism; not taking changes into account and believing deeply in the international trade.¹⁰⁷ Dependency theory, similar to modernisation theory, faces challenges as how relevant the theory is to today's world. The EU and China themselves experienced a similar development pattern that was suggested a route guided by these two theories in some ways.

¹⁰⁶ Economics Online, "*Dependency Theory*", accessed on 25/02/2015, http://www.economicsonline.co.uk/Global_economics/Dependency_theory.html

¹⁰⁷ Shelly Shah, "*Critics of Dependency Theory within Social Science Theories*", accessed on 12/06/2015, <http://www.sociologydiscussion.com/capitalism/critics-of-dependency-theory-social-science-theories/672>

Dependency theory oversees the theory of World System, which is an approach to strengthen understanding of a real situation in world development. Economist Immanuel Wallerstein points out that core countries possess most of wealth and power. They are highly industrialised and in the forefront of innovative technology, and they have influence over noncore countries. Core countries act as aid donors, which are the EU countries in this thesis. Peripheral countries are poor, have lower economic diversification and being targeted in the international trade system for exploitation. They are considered as aid recipients, which are Sub-saharan Africa, Pacific and the NAME countries.¹⁰⁸ Semi-peripheral countries are between the core and peripheral countries in all aspects and they are moving towards joining the core countries, that is, China in this thesis. Core countries extracts profits from peripheral countries by importing raw materials because of cheap natural resources and extracts profits from semi-peripheral countries by importing manufactured goods due to cheap labour. Core countries make high profits by exporting consumption goods that are added valued products to peripheral and semi-peripheral countries. China often groups itself with developing countries, for example, China is a member in the South-South Cooperation framework.¹⁰⁹ This is because core countries treat peripheral and semi-peripheral countries in the same manner economically and China shares same concerns with peripheral countries when dealing with core countries.

¹⁰⁸ BC Open Text Books, “*Global Inequality*”, accessed on 31/08/2015, <https://opentextbc.ca/introductiontosociology/chapter/chapter10-global-inequality/>

¹⁰⁹ “*South-South cooperation is a broad framework for collaboration among countries of the South in the political, economic, social, cultural, environmental and technical domains*”, quoted from United Nations’ Office for South-South Cooperation, “*What is South-South Cooperation*”, http://ssc.undp.org/content/ssc/about/what_is_ssc.html.

However, being exploited by core countries, semi-peripheral countries exploit peripheral countries at the same time, and sometimes, do so together with core countries.¹¹⁰ China is a member of G20 which is a “club” of the 20 most powerful countries in the world.¹¹¹ Being a member indicates that China has similar interests as core countries’. China therefore is on its way to become the next core country and China is expected to behave like the EU or any other current core country, which is exploiting the peripheral countries. The only question is that what is the depth and width of China’s exploitation to those peripheral countries that are truly left behind or left out all forgotten. If peripheral countries alleviate poverty, core and semi-peripheral countries will lose their export markets and cheap labour, and they will have no access to raw materials and places to invest in their capitals. Therefore, from a Realism point of view, keeping peripheral countries less developed is in the best interest of core and semi-peripheral countries.

Wallerstein’s approach of understanding the setting of development is fair and his approach still holds the ultimate enquiry that whether aid is truly designed for eradicating poverty or not. The answer is that aid can assist in reducing poverty in a style that contributes to and helps the peripheral and semi-peripheral countries at each stage (modernisation theory) or at each segment (dependency theory and world system theory) with the appropriate type of assistance. For example, transferring technology is an effective way for developing and upgrading semi-peripheral countries’ productivity, but might not yet be useful for peripheral countries. Water and health projects should be funded by aid and development projects in peripheral countries because they are more important and urgent, so that more lives can be

¹¹⁰ Ibid.

¹¹¹ “*The Group of Twenty (G20) is the premier forum for its members’ international economic cooperation and decision-making. Members are: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, United Kingdom, United States, and the European Union*”, , quoted from B20 Coalition, “*About G20*”, <http://www.b20coalition.org/about-g20.php>.

saved immediately. The three discussed development theories give clear ideas about the EU, China and the targeted regions' current status in global aid and development system. The development theories predict the future of their aid and development behaviour in a determinist fashion. Balancing and complimenting aid donors and recipients' interests and needs are an endless project. Therefore, further research in this area needs to develop a framework where poverty is eradicated and donor countries are not exploiting recipient countries. However, this is outside the scope of this thesis, but it needs to be considered.

3.9 Conclusion

The EU and China's behaviours in aid and development are examined in juxtaposition of Political Science, Great Powers politics and Realism, which all made suggestions on how to understand aid issues. This is because human nature within the structure of International Relation studies confirms that the EU and China constantly operate their ADPs in a manner of safe guarding their interests in particular Political Science and Great Power Politics. Theoretical analysis from a Māori learning and development perspective such as Ako and Tuakana/Tienā suggest that the future of ADPs must operate with an equal status between aid donors and aid recipients. Surely, people are concerned about things that is unknown and unpredictable, thus the China Threat Theory spreads and will not come to an end unless China declines in power. The EU and China compete and cooperate in aid by taking considerations of each other's reactions which is confirmed in the Game Theory and illustrated by the Prisoners' Dilemma. The three Development theories: Modernisation theory, Dependency theory and the World System theory all stress the pathways for development, and what the aid donors and recipients can contribute in the process. Overall, the EU and China's ADPs are common in principle as they both aim to achieve goals and maximize interests, but differences lie between their approaches in a practical term.

CHAPTER FOUR

SUB-SAHARAN AFRICA

4.1 Abstract

When thinking about aid, the word “Africa” is always the first one appears in most people’s mind for various reasons. The African studies emerged during the late 1920s in the Western world, and mainly because of the Second World War. Many Western European Countries which had colonial ties with the African countries were the first ones that devoted into African Studies and their research interests were African Natural Sciences. When the world became critical about “racial hierarchy” and aimed to improve African’s living standards, a humanitarian and social development perspective was injected into the African Studies. The theme of aid and development gradually became one of the main areas for research in African Studies.

Shortly, the Cold War triggered a phenomenon of using development aid in Africa as a political instrument. Research projects about Africa at that time were largely used to comply with political needs. Entering the 21st century, Modern African Development Studies incorporated a new economic angle. Perspectives of international organisations are also brought in and directed the Studies to another spectrum. Because of various aid donors’ active participation in Africa’s development, Africans realised opportunities should not be missed and they were eager to play a predominant role in the development of itself. In this Chapter, the EU and China’s ADPs in the Sub-Saharan Africa will be examined and compared within the international, regional and sub-regional organisations’ framework. The

principles and normative power of the EU and China that influence their ADPs will be compared to demonstrate their differences and similarities.

4.2 Changing of Identity from Aid Recipients to Aid Donors

The EU and China both benefited from being an aid recipient, once they achieved developmental goals, their identities changed to aid donor. After the Second World War, Europe survived and developed with the assistance of Marshall Plan, which was also known as European Recovery Program. The Plan itself was essentially an aid and development package that helped Europe to recover from the War. It was a very successful experiment to Europe and the USA as they both benefited from it. It is also widely agreed that the Marshall Plan played an important role in European regional integration. Aid and development assistance not only contributed to eliminate poverty in Europe, but also initiated to create an integrated and peaceful region. From their own positive experience of transforming from an aid recipient to the world largest aid donor, the EU has no reason to withdraw from aid and development projects. The EU is not a country, but a regional organisation, so it is natural for the EU to be active in an international context. The EU's positive experience with aid and development issues at multilateral level strengthened the EU's confidence as an aid donor.

China started to accept international aid from other countries after the death of Chairman Mao, and Japan was a major aid donor to China. The Chinese government always had hesitations to admit the acceptance of any aid from Japan. As the Japanese government changed their history teaching materials about the Sino-Japan War, the Chinese government could not take the Japanese aid in a high profile, otherwise, the public would put a lot of

pressure on government. Nevertheless, Japan helped China with many infrastructure building projects, such as airports, ports and coal mining sites. For example, the Shanghai Pudong airport was designed and built with Japanese financial aid and technical assistance, and as people commented, Pudong airport looked very similar to Haneda airport in Tokyo.

Europeans and Americans are large contributors to aid to China. As discussed in Chapter Three, modernisation theory suggested that developing countries' economy, such as China, was based on agriculture, which is the first stage within the modernisation theory. China began to receive aid from stage one and all the way through to stage four, and international aid contributed to China's economic development and accelerated China's economy to take off. China's experience as an aid recipient is relatively positive but the legacies that all donor countries left in China still persist today.

By the time, China joined the aid donors' club, world has become highly integrated. It is impossible for China to implement its ADP without affect other aid donors. China does not expect close cooperation at international level with other donors because ADP is affected by core national interests, but multilateral communications about aid issues are still encouraged and welcomed by China. International aid organisations are important platforms for China to learn and exchange ideas with other aid donors and recipients. When integrating into the existing global aid and development system, China has gone through different phases. Initially, lacking of communications caused misunderstanding was the main barriers for China's full engagement. Unlike the EU, China had no foundation to build on, because China was a follower of the existing aid donors. The major international aid mechanisms, which were in favour of carrying out developed countries' ambitions and goals, were flourished after the Cold War. The main traditional international organisations for aid and development were the United Nations (UN), the World Bank (WB), the International Monetary Fund

(IMF), regional developmental banks, such as African Development Bank (ADB), Organisation for Economic Co-operation and Development (OECD). They were, and still are, led by developed countries.

When China becomes more active and plays a more significant role in international aid and development organisations, the EU has fears and suspicious about China's ADP's intentions and approaches. Misunderstanding and mistrust from the West led China to explore an alternative approach with its ADP. China reckoned that self-interests cannot be well represented in the existing international aid and development system. For example, the Asian Development Bank could no longer meet the demand of developing countries in wider Asia. Consequently, China demanded change, but little has been done. China constantly urged to find or create new international institutions that can accommodate the goals of China's ADP. So far, China has participated in the Brazil, Russia, India, China, South Africa (BRICS) Bank, South-South Cooperation (SSC), and most recently, China initiated Asia Infrastructure and Investment Bank (AIIB) which has opened for business on 01 Jan 2016. China's regional policy projects, such as One Belt, One Road also contributes to its ADP.

4.3 Strategic Perspectives of International Organisations

Co-operations between aid donors and recipients are formalised and strengthened through international organisations. Apart from promoting a sustainable aid donor-recipient relationship, international organisations also oversee aid and development projects. Due to the nature of aid which essentially is an action of monetary transfer from one to another, the international aid and development mechanisms are established to safeguard the interests of

both aid donors and recipients, and sometimes, they supervise actual process. The international organisations are actively involved in planning, budgeting, implementing, monitoring and managing aid and development projects. After decades of intensive economic development, both the EU and China's identities have been shifted from aid recipients to influential aid donors. However, the EU achieved economic prosperity earlier than China; became an aid donor quicker than China did, so the EU has more experience and knowledge as an aid donor.

Competition between existing aid donors and new aid donors seems unavoidable. This zero-sum game represents a situation in which each player's gain of utility is exactly balanced by the loss of the utility of the other play.¹¹² This concept is well explained in Chapter three of the Game Theory. The EU and China compete in different international frameworks. Either of them is powerful enough to retain influence over international organisations and elicit the international organisations to favour their decisions. The EU and its Member States are funding members of many existing aid and development international organisations. The EU is always eager to include China and make China a member of the international community because ensuring China's integration into the existing organisations can make China's rise more manageable, which is important to the EU, even the EU know that the international co-operation is idealistic. The EU is one of the traditional donors, and the failure of combating poverty in Africa has left EU in a state of confusion, not confused about results but confused about reasons. The EU applies conditions to aid recipient countries that promote domestic reforms. Unlike the EU, China has much less conditions attached to its aid, moreover, China

¹¹² "Zero-Sum Game", last accessed on 20/04/2015, <http://www.investopedia.com/terms/z/zero-sumgame.asp>

rejects to give opinions and suggestions on political reforms in aid recipient countries. This approach has quickly helped China to establish profile as a “wise” aid donor in the region.

China disagrees with OECD’s definitions on development cooperation and how it should be carried out. China’s ADP is different from the EU’s due to different political and financial instruments and aid approaches and when they work with Sub-Saharan African countries, the EU and China want to make sure that their African partners know their differences. China’s famous “non-interference” policy sets up limitations and boundaries for China’s foreign policy decision-making and implementations in the field. With China’s intensified economic activities in the Sub-Saharan African countries, especially the Chinese projects in infrastructure building. China is more influential economically and more visible politically.

China’s existence can actually change political balance of aid recipient countries. For instance, China built infrastructure projects, such as Tunisia Sports Centre, Algeria Opera House, and Egypt Education Online Training System. On the one hand, governing parties of aid recipient countries take the projects as their own political achievements, so that they can attract more votes for themselves. On the other hand, the opposition parties can use negative issues that relate to Chinese aid projects to attack the ruling party. For instance, China agreed to build a port on the Oyo river, which is hometown to the Congolese President, Mr. Denis Sassou Nguesso, and China also strategically agreed to build a sea port at Pointe-Noire in Congo.¹¹³ China has been criticised for bribing leaders of aid recipient countries as China often builds infrastructure to satisfy the ruling parties. China, passively, involves in the aid

¹¹³ "Xi Jinping Wraps up Africa Trip in Congo," (2013), <http://www.bbc.co.uk/news/world-africa-21979122>.

recipient countries' domestic politics. It is impossible for China to only take care of self-interests but not get involved in anything else.

Different ideas are debated internally among Chinese diplomats, think-tanks and politicians, and “non-interference” policy is one of the most debated ideas. It is widely recognised that the “non-interference” policy needs to be clarified and modified soon, so it can better explain many China's overseas actions. In terms of how to define China's “non-interference” principle, the exact wordings changed three times in the past on the official documents, and it failed to reach a consensus. Redefining and finalising China's fundamental foreign diplomatic principle of “non-interference” is not obligatory as long as it serves China's goals in aid and development. “Non-interference” will remain as the core principle of China's foreign policy. Additionally, “non-interference” also means that China is on longer interests in exporting communism to other countries.

Of course, the EU and China, as great powers, can operate through their own channels, and approaching aid recipient countries in their own ways. One could easily argue that the EU and China's competition in ADP was rather superficial. Fundamentally, their competition was a consequence of conflicting in aid and development ideologies. Conflicition between the EU and China was due to power shifting from the West to the East in a zero-sum game setting. Unfamiliarity, together with uncertainty about China deepens misunderstanding and distrust from the EU side. China concerned about its negative images that portrayed in the mainstream media will harm Chinese trade and economic growth, for example, the China Threat Theory, which has been discussed in Chapter three. China's reputation is damaged by the China Threat Theory influenced speculations which creates problems to China's export

business. In reaction to this growing phenomenon, China self-promoted an image of Peaceful Rise 和平崛起 and still is a developing nation, and a peaceful business partner from the Far East. In recent years, China changed the momentum and called itself Peaceful Development 和平发展, apparently the word “rise” was perceived as still threatening, and “development” seems more humble. In the process of changing identity in the international aid community, China was really concerned about external reactions.

The EU’s perspective in Sub-Saharan Africa is heavily focused on regional integration. Since some Sub-Saharan African countries or some parts of these countries are moving away from the first stage of development, and once they enter the second stage, they require infrastructure investment and international trade and entrepreneurship. Regionalisation is the preferred way for trade and development as suggested and modelled by the EU. There are many regional organisations that have been established which were encouraged by the EU. The Common Market for Eastern and Southern Africa (COMESA) comprises 20 countries across the African continent.¹¹⁴ It aims to create a custom union and a close financial and monetary co-operation between member states. The Southern African Development Community (SADC) aims to co-ordinate and review each member state’s national policies and strategies for sustainable development.¹¹⁵ The Economic Community of West African States (ECOWAS) aims to establish a unified economic block.¹¹⁶ The West African Economic and Monetary Union (WAEMU) aims to stimulate competitively of the economic activities of member countries.¹¹⁷ Central African Economic and Monetary Community

¹¹⁴ OECD Development, “Regional Integration in Africa”, 2002.

¹¹⁵ Ibid

¹¹⁶ Ibid

¹¹⁷ Ibid

(CEMAC) aims to establish custom union.¹¹⁸ The Arab Maghreb Union (UMA) is established to create a common market.¹¹⁹ Regional integration to the EU is very important and the EU believes other regions should also appreciate the importance of regional integration.

All of these African sub-regional organisations were created in late 1990s and early 2000s, which was the high time for the European integration. The African regional integration is deeply rooted in the European integration, which is a well-known fact, in particular in areas of political and institutional building. African countries mirrored the EU and by initiating so many sub-regional economic and financial co-operational organisations, and they are motivated to achieve what the EU member states have accomplished. However, continent is different from continent, and Africa has no capacity to work within the European form of integration. The EU member states were far more advanced in economic development than the African countries when European integration started. Especially the Sub-Saharan African countries are not ready for integration, because it is incredibly difficult in building regional structure, institution and infrastructure in many cases.

The drivers of European integration were the Western European countries, such as Germany, the UK and France, which had adequate wealth and knowledge to implement integration strategies, whereas, the African countries often lack of these internal settings. Although South Africa is more developed than its African partners, but it is still not robust enough to take the leadership and support the regional integration process. Externally, the wider environment of international economic development must be appropriate and see regional integration as a

¹¹⁸ Ibid

¹¹⁹ Ibid

great approach or a suitable solution to many unique African economic and political problems. As we speak now, two decades after the establishments of these sub-regional organisations, the desire of regional integration is still strong, but not much has been achieved. The African elites come to realise that regional integration is definitely an efficient way to achieve regional peace and prosperity, but the initiative might be too ambitious to the majority of Sub-Saharan African countries, and often directly result in unfulfilled commitments.

Perhaps, starting from a smaller scale is a more appropriate approach, such as, focusing on domestic and community building first, which is a pre-condition to the regional integration. Of course, the final goal of integration is continental integration, same as the EU's continuous east-ward integration force, until it covers the European continent. Hence, overlapping in membership of some countries causes conflicts during economic and trade negotiations. Sub-Saharan African countries rely on trade with developed countries and inward investments from those more developed trading partners, whereas, their consumption power is relatively low, thus, intra-regional trade remains low. This explains China's increasing presence in Africa as a strong trading partner. Sub-Saharan African countries' economic diversification compliments China's needs. Most regional support from the EU is currently given to African Regional Economic Communities, which is based on the decision that strengthening regional integration processes can provide major leverage to economic growth, political stability and poverty reduction in Sub-Saharan Africa. After all, the concept of regional integration is driven externally by the EU, once the EU reduces its assistance to Sub-Saharan Africa, many problems will occur.

4.4 Origins of ADP Principles

Chinese aid to the Sub-Saharan Africa is usually a package of trade, infrastructure construction and investment.¹²⁰ China demands raw materials and energy resources from Sub-Saharan African countries, as well as, securing these countries as new markets to absorb Chinese goods and services, because China's production surpasses consumption and China needs new international markets. China-Africa relationship is more than an aid donor-recipient relationship, because economic cooperation ties them more closely. Mr. Deng Xiaoping's Policy of "Opening Up" initially encouraged Chinese individuals and companies to "bring in", such as, foreign investments, foreign capitals and advanced technology from developed countries. Aid was also brought in those years. Since the beginning of this century, the Chinese government implemented the strategy of "go out", which asked Chinese entrepreneurs to trade and invest overseas. Chinese aid flowed to developing countries which paralleled with China's economic interaction with them. "Bring in" and "go out" creates balance in China's production and consumption, like yin and yang. A win-win situation for China and Sub-Saharan African countries is the most wanted result in practice. China's foreign aid strategies follow national strategic self-interests, and China's choice on aid and development partners of the Sub-Saharan Africa is economically orientated and resources driven. Security issues in Africa do not concern China as an aid donor, and these issues will be added only when aid recipient countries are neighbouring countries. For example, China strategically gives aid to Nepal and Pakistan since India is a regional military rivalry to China.

¹²⁰ Sven Grimm, "The China-EU Strategic Partnership on Development: unfulfilled potential", European Strategic Partnerships Observatory, Policy Brief 12. Last accessed on 12/03/2016, <http://www.egmontinstitute.be/wp-content/uploads/2014/09/ESPO-PB12.pdf>

China seeks to participate in all international aid and development organisations, but due to different ideologies, China seldom uses a multilateral approach to implement aid projects in practice, and bilateral cooperation is still the most chosen option for China. Support developmental model diversity and consult with aid recipient partner countries are how China positions itself in any international aid organisations. China urged international aid institutions to reform by contributing more financial capital and human resources to China favoured cooperation frameworks, such as South-South Cooperation and BRICS Development Bank. China does not want to be perceived as a donor, so China's relationship with international aid organisations is not as close as the EU. China's participation is more focused on information exchange and show case of China's aid projects. China's commercial binding ADP is not different from the EU's non-business form of ADP. The EU's ADP uses aid as the main instrument to improve the lives of Africans. The Sub-Saharan Africa receives massive aid from the EU, which is confirmed as the region's largest aid donor. However, its effectiveness is questionable. Aid supposedly has a positive impact on development, especially in the short term, but the two dimensional relationship between the EU and the Sub-Saharan Africa, between aid and growth is weak. The EU's ADP needs to develop new momentum to meet the needs of development of the Sub-Saharan Africa.

After 25 years' practice of Lomé Convention, the EU initiated Cotonou Agreement in 2000 and it covers a period from 2000 to 2020.¹²¹ The Cotonou Agreement is a comprehensive partnership agreement between the EU and developing countries – the 79 Africa, the Caribbean and the Pacific (ACP) countries. It has three pillars: 1. Development Cooperation;

¹²¹ "ACP- The Cotonou Agreement", *Published by European Commission*, Last updated on 02/03/2016, https://ec.europa.eu/europeaid/where/acp/overview/cotonou-agreement/index_en.htm_en

2. Political Cooperation; 3. Economic and trade Cooperation.¹²² The most important event in the history of the Cotonou Agreement was the 2010 Revision, because it had a vision that the EU's ADP should cover a wider range of issues, such as, regional integration, security and fragility, food security, HIV-AIDS, sustainability of fisheries, Millennium Development Goals, climate change, new trade relationship and the expiry of preferences, broad and inclusive partnership, and aid effectiveness principles.

The 2010 revision also stressed out the needs to broaden geographical scopes of the Cotonou Agreement, so that the EU can be partnered with more developing countries. Prior to 2010, issues that were addressed in the Cotonou Agreement were largely the concerns of the EU countries, or concerns of the ACP countries through the eyes of the EU. However, as one can observe from the 2010 revision, issues and themes that were raised by the ACP countries were included and gave emphasis on, which was considered as a small change in policies but a big step forward for the EU in terms of recognising the importance of relationship with the ACP countries.

The EU's EPA with Sub-Saharan African countries faces challenges and demands. The two sides cannot agree on some key issues, such as, they disagree on the percentage of market opening and its timeframes of concluding and implementing EPA. The EPA will result a loss in tariff revenues for the Sub-Saharan African countries as a direct effect, and the EU seeks for solutions to address this issue. The group of Least Developed Countries (LDCs) have had many privileges, they demand additional benefits if they agree to sign the EPA, and the EU needs to justify this. Most importantly, the two partners need to be clear about the

¹²² Ibid

implications of the EU's EPA to each other in a long term. Until all the concerns are addressed, Sub-Saharan African countries will be reluctant to sign the EPA.

The EU and China hardly reached any consensus on international agendas although there were possible areas for cooperation. For instance, the EU's aim of domestic institutional building and China's goal of infrastructure building can complement each other at a multilateral level. Nevertheless, little has been achieved. In the context of the multipolar world, the EU proposed an agenda that forms an EU-China-Africa trilateral partnership in 2014.¹²³ The EU witnessed China's rise in the Sub-Saharan Africa, and responded constructively by initiating dialogues to conceptualise a comprehensive partnership among the three partners. However, the EU lacks of a coherent ADP, China does not see the need to have a trilateral partnership, and the African partners' concern about such partnership could limit their options as the two donors start to work together.

So far, only several research projects have been conducted on the trilateral basis. Some individual EU Member State, that have stronger interests in ADP, all signed separate agreements with China, such as, the UK, France and Germany. The EU-China-Africa trilateral partnership is possibly achievable if the specific aid projects are led by the Sub-Saharan African countries and match up their regional and national agendas. Of course, the EU-China strategic partnership can further address and discuss aid and development concerns in Sub-Saharan Africa. Furthermore, both the EU and China should not over react to

¹²³ Anna Katharina Stahl, "EU-China-Africa Trilateral Relations: A New Trend in International Relations", accessed on 20/04/2015, <http://www.e-ir.info/2014/09/16/eu-china-africa-trilateral-relations-a-new-trend-in-international-relations/>

any new policy that they have with their African partners. Always focus on a holistic strategy of their ADPs.

4.5 Normative Power and Philosophical Implication

By definition, Europe exerts this normative power through attraction and example rather than traditional form of power. The normative power is highly idealist notion without direct links to economic and military resources. The concepts of values, policies and institutions are considered as the core elements of the EU's normative power. The EU drives its values and exports to aid recipient countries, and the Lisbon Treaty has articles about promoting the EU's values of peace, security, freedom, democracy, human rights and the rule of law, as well as the values of equality, social solidarity, sustainable development and good governance.¹²⁴ The EU's political and security policies and actions are most important, but the EU also imposes ethical values as part of the EU's. The problem is that the EU's normative power is very narrowly focused on issues, such as democracy and human rights. When the EU encounters security and economic issues in ADP with Sub-Saharan African countries, the European norms and values become secondary. Nevertheless, the Sub-Saharan Africa is a region that is less strategically significant to the EU, and normative power can be practiced there to certain extent.

Chinese normative power is rising in contrast of the EU normative power. If the European and Chinese development models are two distinctive ones, and if Sub-Saharan African countries have to choose between them, the EU and China are in competition of normative

¹²⁴ "Treaty of Lisbon", last accessed on 21/03/2016, <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A12007L%2FTXT>.

power, which has been illustrated in Chapter Three, Power Politics. When Western countries engage in wars and conflicts in the Middle East and North African regions, and while the EU member states concern about regional security and defence, Schengen and free movement of people across Europe became more controversial than ever, and the fundamental EU values being challenged, the EU development model of regional integration does not seem as glamorous as years ago. Security issues are central to all Sub-Saharan African countries, given the fact that these countries struggle to make peace within their own countries, neither can create peace with neighbouring countries, slipping Sudan is a good example. Although Sub-Saharan African countries re-consider whether the European approach suit themselves, the EU normative power is still very influential, especially compared it to the Chinese normative power.

China has weaknesses in creating a long lasting normative power. China initiated and created new international aid mechanisms, which is a gateway to avoid the Western influence and establish its own normative power. The BRICS Development Bank is one of the new frameworks that established by five world's largest developing countries. Apparently, the EU is an outsider of this mechanism, but four out of five BRICS countries have close ties with Europe, and the only one exception is China. Please see the table below 4.3.a for details.

Although China is the largest economy among the BRICS countries, the distinctiveness in political, economic and legal systems sets China apart from the rest of BRICS countries, as these four countries are more associated with the EU. China's penitential effect on these four strongly European influenced countries is not very optimistic. Normative power, or any kind of power, once it cannot sustain long and expand solidly, it will die out quickly and no longer a normative power player in the international arena.

Table: 4.3.a	
Countries	Ties with Europe
Brazil	A formal colony of Portugal and Portuguese is Brazil's official language. Brazil and Portugal share a privilege relationship and are allies in political and diplomatic issues.
Russia	Central and Eastern European Countries (CEEC) of the EU and Russia have great knowledge about each other as a result of Soviet Union's rule. Russian language is still widely spoken and acknowledged in CEEC. Russia's ties, either positive or negative, with Europe cannot be underestimated.
India	A former British colony. English language is used as <i>lingua franca</i> in India. Both India and the UK are full members of Commonwealth countries. India and the UK have a New Special Relationship. ¹²⁵
China	No strong colonial ties. Historical links with Europe are relatively weak. European languages are regarded as

¹²⁵ "Does India want a New Special Relationship with the UK?", last modified on 27/07/2010, <http://www.bbc.com/news/world-south-asia-10782552>

	foreign languages to Chinese people.
South Africa	<p>A former British colony. English language is used as <i>lingua franca</i> in South Africa.</p> <p>The UK and South Africa share lots of cultural links. They are very similar in financial and legal systems. They have interests in same sports and live at each other's countries.</p>

Chinese government has realised that normative power building requires the toolbox of soft power. The ever growing Confucius Institution across the world is an evidence of China exports its language, culture and tradition. At the moment, the financial support that inject into the work that Confucius Institution does is more than sufficient, however, the results are not as great as the hosting government officials would expect in certain areas. For instance, these Hanban supported Confucius institutions only focus on export Chinese cultures but not really interested in transferring any skills to the hosting countries, and this annoys aid recipient countries. In Sub-Saharan Africa, there are 46 Confucius Institutions in Africa, and another 23 Confucius Classrooms, which will be transformed to become Confucius Institutions at some stages.¹²⁶ These Confucius Institutions are based in Universities and culture centers of the hosting countries, and they aim to promote China as a great country, so that China's soft power can be enhanced. When soft power become hard and solid, more stabilised and normalised, it adds value to the normative power. While the EU's normative

¹²⁶ Confucius Institution, "Confucius Institutions and Classrooms", http://www.hanban.edu.cn/confuciousinstitutes/node_10961.htm.

power is based on human rights, rule of law, liberty, democracy, and good governance, the Chinese normative power is based on non-interference, mutual benefits and global harmony.

The difference between the EU and China's normative power is obvious, and the fundamental reason behind this divergence is due to different philosophical beliefs and faiths. The EU's human rights belief is conceived as a universal norm, and the EU expresses a strong desire to diffuse human rights values into aid recipient countries and China. This is very similar to Christian's belief that spreading God's Gospels is a "must" and advocate situations of unfairness and injustice because of the truth, and with the support of Holy Spirit. Therefore, speak out on any inhuman treatment and be able to influence the others with attitudes and values that are Holy is very important which is rooted in the European values.¹²⁷ The EU's ADP has many features that act as the normative power. China believes that "no one can say, tell and comment, because it is wrong to do so".¹²⁸ Truth is just a perspective that a person takes and understands from his or her own viewpoint, thus, truth does not exist. Besides, everything is changing constantly, the minute we speak up against something; it might be no longer the same thing that we want to fight against. Therefore, it is better to say nothing. China's ADP is influenced by this thinking deeply. They are both right in their own ways as these are their values, traditions and faiths, and the EU and China will continue to practice and export their norms and beliefs when implement their ADPs in third countries.

4.6 Conclusion

¹²⁷ Referring to Acts 2 of the New Testament for philosophical and religious foundation of "advocacy and the Holy Spirit".

¹²⁸ Referring to Lenyanjing 楞严经 for Philosophical and religious foundation of "cannot say", once you say it, you are wrong. (不可说, 不可说, 一说就是错)。

The EU and China were both transformed from aid recipients to aid donors in the modern history, and they both achieved prosperity with the help of aid. They have confidence in aid as a positive tool to reduce poverty. The EU has richer experiences with the existing aid and development organisations, whether they are international, regional or sub-regional based, and has strategic perspective about the development of Sub-Saharan Africa – regional integration. In contrast, China finds hard to meet its need within the old aid and development system, so China takes a strategic move and initiate aid and development organisations that can better serve its ADP. China's ADP is economic driven, whereas the EU is less so, but more politically associated. Not only their principles are different, but also their approach in promoting their ADP values as normative powers. Philosophically, the EU and China's ADPs are different, but in terms of being actors of international politics, they are the same. This is the reason that it is impossible for them to engage in agreement about sensitive issues, such as human rights in aid and development, but can still work together and communicate on issues like trade.

CHAPTER FIVE

THE PACIFIC

5.1 Abstract

This chapter focuses on further contributing to analysis and findings of the EU and China's ADPs in our Pacific region.¹²⁹ This chapter examines the EU and China's major activities in the Pacific throughout the history and how the results of these activities shaped today's ADPs of the EU and China. Negotiations between the EU and Pacific countries must be done through the platform of European institutions by using the European Development Fund; whereas, China initiated regional strategies and sets it as a channel to implement ADP in the Pacific. Although international aid studies for the Pacific is much smaller in scope in comparing to Sub-Saharan Africa studies which has been discussed in the previous chapter. Pacific studies were initially dominated by American scholars because the US had policies and ambition towards the Pacific region. With the rise of the EU and China, Pacific countries become more or less affected by their presences and ADPs. Even though the EU put efforts into giving aid and developing a relationship with Pacific countries, only France, Germany

¹²⁹ When this thesis refers to "Pacific", "Pacific countries" and "Pacific region", it means the following 15 countries:

- Cook Islands
- Federated States of Micronesia
- Fiji
- Kiribati
- Nauru
- Niue
- Palau
- Papua New Guinea
- Republic of Marshall Islands
- Samoa
- Solomon Islands
- Timor-Leste
- Tonga
- Tuvalu
- Vanuatu

and the UK tried to work out agreements under the EU umbrella because of colonial ties. The EU has little economic interests in the Pacific, but political and strategic interests are still solid.

China has no such historical legacy towards the Pacific, and the advantages are: 1. The China-Pacific relationship can have a fresh new commencement without any past constraints; 2. it is possible that the China-Pacific relationship can be shaped in the way that both partners are comfortable with; 3. There is an opportunity to present the best aspects of themselves to each other without knowing too much about their histories. The disadvantages are: 1. Lack of experience and knowledge about each other's behaviour at the highest political level 2. Limited understanding about each other's economic intentions and purposes; 3. Lack of familiarity as very little exchange has taken place at the grassroots level of culture, custom, language and mass media. Thus, in developing this relationship, more dialogue needs to happen where the advantages can eventually outweigh the disadvantages. Unlike Europeans, Chinese slacked on developing relationship with Pacific countries for a long period of time. Initially, China was interested in the Pacific because of political reasons, but recently, with the innovation in technology and information, more and more natural resources have been discovered in the Pacific region, China turned South for resources. This suggests a great wealth of potential for Pacific countries, when China becomes interested in the Pacific for economic reasons.

5.2 Europeans and Chinese in the Pacific

The Pacific is consisted of three parts: Micronesia, Melanesia, and Polynesia. In June 2011, the population of the Pacific reached a milestone; the region is home to more than 10 million

people.¹³⁰ The original residents of the Pacific are indigenous people, and later migrants from different parts of Asia moved to the Pacific and became the modern Pacific Islanders. With the development of the sailing industry, there were many Asian sailors, farmers and miners who settled in the Pacific. Urbanization started to take place in many Pacific countries with European colonisers holding the best and most highly paid jobs. Nowadays, there are a small number of residents who are classified as Euronesians and Europeans in the Pacific. Chinese is a large ethnic group that spread throughout the Pacific and probably the best networked community. They mainly worked as labours, traders and plantation workers. While the Chinese strengthened their collectiveness, they embraced the communities as they joined through intermarriages. Intermarriages with local residents occurred over generations which changed the demographic of the Pacific. For example, in Samoa, about one third of Samoans today are Chinese descendants.¹³¹ The Pacific Islanders intermarried with the Asian population more than with the European population due to the European made of social hierarchy.

Many Pacific countries are deeply influenced by European culture, religion and customs as Europeans established contemporary politics and infrastructure for many Pacific countries through colonisation. For example, Samoa was influenced by New Zealand, Germany, the UK and the US, because they all had interests in Samoa such as Western Samoa and American Samoa.¹³² In 1899, Western Samoa became a German colony whereas East Samoa was colonised by the US, however, after Germany was defeated in World War I, New

¹³⁰ "Pacific Islands' Population Tops 10 Million," (Statistics for Development, 2011).

¹³¹ Tuatagaloa Aumua Ming Leung Wai, *"Reflections On The Experiences Of The Chinese Community In Samoa"*, (Presentation, China and the Pacific: The View From Oceania Conference, National University of Samoa,

Apia, Samoa, 25th February 2015).

¹³² "Samoa Profile-Timeline", *BBC*, accessed 22/02/16, <http://www.bbc.com/news/world-asia-15673462>.

Zealand became its protectorate and governed West Samoa from 1914 under the UK's request.¹³³ In 1962, West Samoa gained their independence as the first Pacific country to do so.¹³⁴ Goods and products gained from the Pacific countries were mainly used as military support during the Second World War, and the majority of European traders or business owners migrated back to Europe when the war ended. The withdraw of European power caused chaos and confusion in the Pacific, poverty occurred, and the current generations are still suffering from that. To some, the world's smallest nations, European colonisation surely had a dominant and permanent impact on their way of living, but to the Europeans, the Pacific is only one of the suppliers to gain wealth from.

China was busy with its own economic development and had just realised the importance of Pacific countries in recent decades. The first formal diplomatic service was established under the National Party (*guomingdang*)'s rule in early 1890s. Their main purpose was to protect Chinese workers from being over exploited by European employers. After the National Party was defeated in 1949, the leaders and their military personals escaped to Taiwan Island. All of the former diplomatic services in Pacific counties were transferred to Taiwan or the Republic of China. As the recognition of the People's Republic of China in 1979 by the United Nations, Taiwan lost its official status due to China's new regime in the Pacific. China started to take more diplomatic and administrative roles and interacted with many Pacific countries. However, Taiwan did not want to give up, so it gave aid to Pacific countries that recognise Taiwan as an independent country. There were more and more countries recognise Taiwan in the Pacific which worried the Chinese government, because China considered Taiwan as a province of China, not a country.

¹³³ Ibid

¹³⁴ Ibid

Reacting to Taiwan's growing influence in the Asia-Pacific region through its ADP, China utilised aid as a tool to win over Pacific countries.¹³⁵ Nowadays, Taiwan has relations with six Pacific countries: Kiribati, Marshall Islands, Nauru, Palau, Solomon Islands and Tuvalu.¹³⁶ China is recognised by eight countries in Pacific: Cook Islands, Federated States of Micronesia (FSM), Fiji, Niue, Papua New Guinea (PNG), Samoa, Tonga and Vanuatu.¹³⁷ Some Pacific countries change sides depending on the amount of aid that they receive, for example, Kiribati recognised China from 1908 to 2003, but as soon as Taiwan gave more aid, Kiribati recognised Taiwan from November 2003 and onwards.¹³⁸ "Checkbook diplomacy" is ridiculous but unavoidable as suggested by Great Power competition. Pacific countries gained a great deal financially when Taiwan and China competed, which can be understood through the Game Theory in Chapter Three. However, Pacific countries did not develop anything that is sustainable from Chinese and Taiwanese aid, because the two aid donors' primary concerns were not about helping Pacific countries to develop. China and Taiwan both have no desire to put more money into this pointless and irrational game now because there is no end to it if it continues. China needed to find allies from the Pacific as an immediate solution to gain international recognition. Pacific countries are small in size and population, their votes are still individually counted in the UN. China needs Pacific countries' votes more than they need China's. Additionally, the "Checkbook Diplomacy" is still going on in the Pacific, for example, Russia used aid to buy votes from Pacific countries to compete against Georgia for international recognition of Abkhazia and South Ossetia. Again, it is understandable that

¹³⁵ Alex Spillius, "China's chequebook diplomacy runs deep in the Pacific", Telegraph, reported on 11/11/11, <http://www.telegraph.co.uk/news/worldnews/asia/china/8883910/Chinas-chequebook-diplomacy-runs-deep-in-the-Pacific.html>.

¹³⁶ Paul D'Arcy, "The Chinese Pacifics: A Brief Historical Review", *The Journal of Pacific History* (2014):399.

¹³⁷ Ibid

¹³⁸ "China severs diplomatic ties with Kiribati", posted on 29/11/2003, <http://www.abc.net.au/news/2003-11-29/china-severs-diplomatic-ties-with-kiribati/97836>

Pacific countries want direct aid to help themselves to solve some financial problems, but these aid were not devoted to developing economies, so any long term positive impact of these aid was hard to retain.

Aid donors and aid recipients do not usually operate in same ways because they have diverse interests and concerns. At the personal level, new waves of Chinese migrants move to different Pacific countries, and involve themselves in all aspects of local lives, including political, economic and social development in the Pacific. At the national level, China's ambition in the Pacific is revealed, that is China will turn to the Pacific countries for political support when other great powers act against China's interests. Therefore, China's reliant on Pacific allies is important for China in the international voting system. China needs to nurture and continue to develop the partnership with Pacific countries through ADP. For Pacific countries, whether accepting aid from China or Taiwan is not that important, because Great Power politics is not their main concern or goes beyond their concerns. The key point when accepting aid from aid donors is that how can the funding help the Pacific and transform Pacific countries to become more developed and enhance the lives of Pacific Islanders in a way that they desire. Negotiations between aid donors and Pacific countries can be very difficult to conclude if neither of them willing to make a concession, and their disagreements are often occur in the areas of budget, policy priorities, timeframes and conditions.

The EU and China put different emphasis on how to achieve regional stability, economic prosperity and sustainable development. No doubt, the European forms of governance, education, religion and social rules continually being practiced in the Pacific region. The Pacific islanders are very familiar with the western culture and languages. For example,

European mass media still has a great impact, which is very common and a shared daily experience to the Pacific people.¹³⁹ Most Pacific political and business leaders receive education in Western countries. Some well-educated Pacific islanders return and bring knowledge back home, and they perceive the EU as a model for their own development. Developmental concepts such as regional integration of Pacific countries mirrored the European integration. However, a Eurocentric perspective is basically highlighting the developmental issues of the Pacific countries in terms of how they should and could catch up with Europe. Similarly, Pacific countries witness the transformation of China's rapid economic development. Developmental concepts, such as *eat bitnesses* is introduced to Pacific countries, which is asking people to be highly focused and work extremely hard, even sometimes, it means sacrifices. Obviously, it is up to the people of the Pacific to decide which developmental concept is more suitable for them. However, it is also quite possible that none of European and Chinese developmental models works for Pacific countries.

5.3 Meeting developmental needs of Pacific countries

Development issues that all Pacific countries face are similar in nature. Relatively speaking, Polynesia is the wealthiest region, with countries such as Fiji. Micronesia is most populated region because of Papua New Guinea, and Melanesia being the most economically poor region. The geographic characteristic of different Pacific Islands is similar as they are all surrounded by waters and have a tropical climate. Some Pacific countries have high lands, some have low lands, and some have both. They all produce similar commodities, such as fish and timber. Tuna related industry and employment are the most important economic pillar to all Pacific countries. Youth unemployment is fairly high and gender inequality is

¹³⁹ Robert C. Kiste, "Polynesian Culture", *Encyclopaedia Britannica*, <http://www.britannica.com/place/Polynesia>.

visible in the Pacific. The skilled Pacific islanders prefer to work and live overseas, and send remittances back home to support their family members. Pacific countries heavily rely on development aid and state enterprises, in particular in the cases of natural disasters. Aid from the EU and China ameliorates the lives of Pacific islanders, and all Pacific countries have development and economic agreements with the EU and China individually and collectively.

Considering the EU's ADP in the Pacific, there are two main streams of ideas. On the one hand, the Realists consider that ADP is used as a strategic link which can connect Europe with its former colonies, so that the EU can retain its power in the Pacific. On the other hand, the liberalists rather keep focusing on poverty reduction and livelihood improvement of Pacific islanders and are deeply interested in creating equal partnership for cooperation between the EU and Pacific countries. These two streams of thinking generate policy priorities are different, however, there are no major contradicts in them, and they can and will co-exist. It was only in the Treaty of Rome that the European Economic Committee (EEC) involved the development policy for the first time which took place in 1950s, but the policy had a narrow perspective on policy dimensions. The EU showed enthusiasm when committing itself to the ADP, and the EEC strengthened its aid and development strategies in the Pacific through the Lomé Conventions (I, II, III, IV), and positioned itself as a global leader in development. The internal and external expectations and pressures on the EU's ADP are high, but its progress and reform over the years are still slow. Nonetheless, Europe is geographically far away from the Pacific and the EU's ADP has limitation in policy areas, but the EU still try to develop close and constructive relationship through ADP.

When the European countries' economic growth started to decline, Pacific countries looked North - China, not only for aid but also for economic cooperation. Asia and Pacific are bind together geographically. At the present time, in many international contexts, these two regions have emerged and became one, and often regarded as the Asia-Pacific region. This new regional identity or concept, psychologically, makes Pacific countries to recognise that China is closer than Europe. The Pacific Ocean is vast and rich in coconut, caviar, coffee, fishery, timber and palm oil, which are all desired by Chinese consumers. China is eager for more resources to keep its GDP at a stable level. When China can access to natural resources that Pacific countries have, China can secure economic growth at home, and an economic healthy China can be the main driver to help all Pacific countries. In fact, in the future, China's behaviour in ADP will be greatly driven by resources deficit at home. China understands that easy accessing to the resources requires long-term aid giving, trade and economic cooperation, diplomacy and migration. China's policy of One Belt, One Road does not include Pacific countries, but the Pacific region can still benefit from positive spill-over effects of the policy.

The EU also has its eyes on the resources that the Pacific possess, but not as hungry as China, the trade volume is small in both relative and absolute terms.¹⁴⁰ Thus, comparing to China, the EU's motivations are more politically and strategically focused. The EU members are interested in having an updated aid and development strategy. In the previous chapter, the Cotonou Agreement was discussed in the context of Sub-Saharan Africa as the EU faced challenges and criticisms, which urged policy makers to keep reforming and putting new agendas forward. Similarly, the EU experienced same kind of resistance from the Pacific

¹⁴⁰“Pacific”, *Published by European Commission*, updated on 28/10/2015, <http://ec.europa.eu/trade/policy/countries-and-regions/regions/pacific/>

partners. To Pacific countries, the EU market and the European aid are great but are not the only option that they have now. If entering the EU market and getting the EU aid imply that Pacific countries need to agree and absorb more European values and political ideologies, it will make Pacific countries more confused and become reluctant to further strengthening cooperation. The EU's Economic Partnership Agreement (EPA) with Pacific countries is still under negotiation because Pacific countries are reluctant to sign it. They do not find the EU's proposed EPA package attractive since it relatively gives limited information about how the structure of agreement can support and facilitate each objective. The EU needs to engage more dialogues with its Pacific partners on the basis of how to recognise the Pacific's regional needs.

In the Article 95, section four of the Cotonou Agreement states that the ACP partners are to enter into negotiations 18 months before the total end of the Agreement period.¹⁴¹ This means that the EU and Pacific countries need to start to prepare new rounds of negotiations by proposing new issues that are concerned by both parties. The 11th European Development Fund (EDF), which was signed on 16 June, 2015, only had minor changes from the 10th EDF, and the Pacific was distributed with 166 million euros in total for a period of 2014-2020.¹⁴² This Fund is mainly used in three areas: regional economic integration (50 million euros); sustainable management of natural resources and the environment and the management of waste (52 million euros); inclusive and accountable governance and the respect for human rights (18 million euros).¹⁴³ The EU will continue to promote and include the European values in every negotiated bilateral and multilateral agreement. The targeted policy areas will

¹⁴¹ "Cotonou Agreement", *published by the European Commission*, accessed on 03/03/2016, <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=URISERV:r12101>.

¹⁴² "Pacific Regional Indicative Programme", *published by the Delegation of the European Union for the Pacific*, created on 29/09/2015, http://eeas.europa.eu/delegations/fiji/pacific-regional-indicative-program_en.htm

¹⁴³ Ibid

be more or less the same, given the insignificance of the Pacific to the EU. Funding will increase for the Pacific, but the amount will still remain small comparing to funding that is allocated to Africa. Especially with the EU's top concern being the NAME region now, the Pacific needs to cry louder to gain attentions. Conditions attached aid aims to protect the core interests of the EU, however, it is not clear that how the EU's trade agenda can best articulate aid and development issues. The EU considers China's military expansion in the South China Sea is a threat to regional security, but the EU does not spell out clearly how to involve aid in security issues.

Developed countries use ADP as an instrument when encountering with developing countries. Diplomatic services that established overseas are expensive to run, and the EU and China choose to have them as they become expansionist. Establishing overseas delegations aims to secure influences and obtain first-hand information from Pacific countries through visible presence, frequent interactions with local people and authorities, as well as observing different events. When European countries are closing down their embassies and administrative offices, and reducing aid assistance in infrastructure building in the Pacific, China came in with a strong motion and filled the gap. Currently, the Chinese Ministry of Commerce is the key institution that manages the ADP and it recognises that aid recipients do not want conditions, but options. China, being an alternative partner to Pacific countries, is keen to engage in business, commerce, economic development and aid assistance. For example, China built the Nadarivatu Dam in Fiji which opened in 2012, and this dam can generate 90 per cent of Fiji's power by using renewable sources of energy.¹⁴⁴ Other examples of Chinese investments in the Pacific are: the Ramu nickel mine in Madang Province in PNG,

¹⁴⁴ Stewart Firth, "New Developments in the International Relations of the Pacific Islands", *The Journal of Pacific History* (2013): 288, accessed 04/03/2015, doi: 10.1080/00223344.2013.812545.

which is the biggest of its type in the Pacific. China is also building a mega-resort and casino complex in Yap Island in FSM.¹⁴⁵ Recently, the Pacific Islands Forum has received 1.05 million US dollars from China in November 2015.¹⁴⁶ Chinese projects are not always popular in the Pacific and often face criticisms. There were riots and protests against Chinese investments and businesses that were associated with corrupt governments of Pacific countries as China only work with the aid recipient countries' central governments, and not try to cooperate with private sectors at the community level. Other major concerning issues including: environmental protection, waste management, poor construction, inappropriate design of infrastructure projects, using own skilled workers from China instead of training and employing local labours.

5.4 Trade Matrix in the Pacific

Aid and trade are twin “legs” in the world aid and development system. An effective aid must be able to assist aid recipient countries to increase economic and trade activities, and international trade is the primary force behind poverty reduction. Trade is a practical method to integrate aid recipient countries into the world trading system. Aid for trade is a WTO-led initiative that aims to increase trade capacity and enhance trade infrastructure of developing countries, especially it aims to identify trade related constraints of the LDCs.

The EU and China both strive to sign trade and development agreements with Pacific countries. In the Pacific, the EU has concluded an Interim Partnership Agreement with PNG

¹⁴⁵ Sonali Paul, “China’s Ramu nickel mine in PNG restarts after attacks”, <http://in.reuters.com/article/papua-nickel-ramu-idINL4N0QD0GY20140807>.

¹⁴⁶ “Pacific Forum gets another grant from China”, <http://www.radionz.co.nz/international/pacific-news/287567/pacific-forum-gets-another-grant-from-china>.

and Fiji in 2007.¹⁴⁷ This Agreement is in implementation now. The EU's EPA with the Pacific countries included trade in goods and service, development co-operation, trade-related issues such as, food health and safety, remove technical barriers to trade, agriculture, sustainable development and competition.¹⁴⁸ The EU's trade policy has two major sets of features, that are, reciprocal and non-reciprocal; bilateral and multilateral. There is a quick shift from non-reciprocal to reciprocal bilateral trade agreement in recent decades, and the EPA replaced the ACP is viewed as an action of such kind. Similarly, China looks to reach more agreements with Pacific countries. The preferred trade arrangement for China is Asia-Pacific Trade Agreement, which is also known as Bangkok agreement. It was initiated by the United Nations Economic and Social Commission for Asian and the Pacific countries in 1975.¹⁴⁹ The current negotiations include tariff concessions of trade in goods and services, investment, trade facilitation and non-tariff measures.¹⁵⁰ Under the pressure and dramatic change in the global market after the USA's presentation of Trans-Pacific Partnership, China will have to speed up free trade talks in the Pacific. China has to reduce the negative effects that US dollars' dominance brings to itself in international trade, and trading in Chinese yuan is recommended by the Chinese government. So far, China has launched joint free trade feasibility study with Fiji.¹⁵¹ Fiji has trade deficit with China, it imports \$5.6 worth of goods from China, but only exports \$1.0 worth of goods to China.¹⁵² Fiji is concerned about the ever increasing trade deficit and urged China to lower its tariffs to goods from Fiji. When China proposed an airline package which permitted Chinese airlines operate direct flights to

¹⁴⁷ "Trade, Pacific", last modified on 28/10/2015, <http://ec.europa.eu/trade/policy/countries-and-regions/regions/pacific/>

¹⁴⁸ Ibid

¹⁴⁹ Ibid.

¹⁵⁰ Ibid.

¹⁵¹ "China FTA Network", last modified on 28/03/2016, <http://fta.mofcom.gov.cn/list/chinafijien/enfiji/1/encateinfo.html>

¹⁵² "Fiji's PM expresses concern at China trade imbalance", last accessed on 18/07/2015, <http://www.radionz.co.nz/international/pacific-news/279091/fiji's-pm-expresses-concern-at-china-trade-imbalance>

Nadi, the Fijian Prime Minister, Mr. Bainimarama rejected the proposal, instead, he suggested a co-share operation of airlines with Air Fiji, their national airline.¹⁵³ Pacific countries are important to China also because they have consumer markets that China wants to reach although they are relatively lesser.

Generalised System of Preferences (GSP) is non-reciprocal and multilateral, and it has been transformed and became more liberal. The GSP has closed some gaps by not only benefiting richer developing countries and ensured that trade preferences are given to the countries that are most in need. The EU reformed its GSP by introducing Everything But Arms (EBA), which focused on LDCs. In the Pacific, Kiribati, Samoa, Solomon Islands, Tuvalu and Vanuata are listed as LDCs.¹⁵⁴ Once markets are open, these countries are more vulnerable to market competition. Transferring technologies and skills to the Pacific can increase LDCs' market competitive. Improving production process in countries of origin and providing more export opportunities to the LDCs. The EU's ADP must not act as a policy that discourages the LDCs from free trade and open markets. Overall, the achievement of the EU's ADP is critically depends on the EU's approaches in trade policies to the developing countries.

The WTO sets specific objectives in helping developing countries, and it particular targets the LDCs. Aid for trade is usually debateable in the following four areas. First of all, the developing countries often find difficult to understand the complex structure and content of the international trade system because they lack of experienced technical staffs from their own countries. It is essential for the developing countries to build capacity and formulate

¹⁵³ Ibid.

¹⁵⁴ "Everything But Arms- Who benefits?" last modified on 10/10/2014, http://trade.ec.europa.eu/doclib/docs/2014/october/tradoc_152839.pdf

trade policies, and always allow the developing countries to participate in trade negotiations even they are not the direct participants. For instance, the majority of developing countries are absent from the process of WTO dispute settlement. When China was in negotiation for its WTO admission, initially, China found difficult to understand many legal aspects of WTO. The EU offered technical assistance by training Chinese officials, which helped China to become a member of international trade mechanism. Secondly, one common feature of all developing countries is that they need a great amount of investment to help them to build infrastructure, such as roads, airports, telecommunications and energy supply networks. Aid for trade tries to meet the needs of developing countries, but the gap remains large. China's ADP targeted this gap and established aid and development bodies to build infrastructures in developing countries.

Thirdly, when the developing countries' economies are ready to take off, they need help in constructing productive capacity, and aid for trade can help them to strength their strongest economic sector by improving their supply chain management. In the Pacific, the tuna industry is very important, and technical advice and support are needed in every level. Fourthly, all developing countries experience difficulties in transitional periods. Sometimes, they have inabilities to identify the type of difficulties by themselves. Aid for trade can provide adjustment assistance, not only financially but also technically. When and how to opening up markets and how best adapt to the international trading standards are areas that Pacific countries need to evaluate, because we must avoid international trade to hurt world's poorest nations. Coordination of aid recipient countries' needs and aid donor countries' objectives of ADP remains an area of ignorance. Addressing the concern of aid donor countries fail to incorporate aid for trade strategy with the aid recipient countries'

development goals. An effective aid for trade strategy requests to match different sectors from both aid recipients and donors, such as private sectors and civil societies.

Climate change is relatively a new trade issue to our world trade system, and integrating climate change into the EU's aid for trade strategy is a challenge. It is common that LDCs rely heavily on natural resources based economies, and these countries are highly vulnerable to climate change. Furthermore, to Pacific countries, climate change is not only an economic issue, but more importantly, it is a matter of survival, because climate related natural disasters pose threats to the Pacific populations. The existing trade structure does not fully facilitate issues such as climate change. Fortunately, the EU's Emissions Trading Scheme excludes LDCs from punitive measures. Thus, climate change can be a new trade opportunity that is assigned to LDCs in the future. However, China is not ready to incorporate climate change issues into its ADP yet. China is a fossil fuel-based energy user and is the world's largest emitter due to industrial processes, agriculture activities and unregulated waste management. Moreover, China and Pacific countries are both in the Asia-Pacific region and this region hosts many developing countries. While Pacific countries are most concerned about climate change, six out of top ten world emitters are from Asia.¹⁵⁵ Regional integration and development of Asia-Pacific must tackle the climate change issue. China has a prominent role to play, in terms of achieving environment goals in Asia-Pacific. Fundamentally, China sees the Pacific as development partners rather than an aid donor-recipient relationship because they share many similar developmental concerns. They are geographically inseparable and their economies are complimentary to each other. Being a partner means equal, but their economic sizes imply that their status can never be equal. Besides, if China endorses itself as an international aid donor, lots of internal pressures and external obligations will become a

¹⁵⁵ Six emitters are: China, Japan, Russia, India, Iran and Indonesia.

large burden to China. China less cares about whether Pacific countries choose to trade within international trading framework, China satisfies even trading only occurs at a bilateral level. China considers that economic cooperation should be promoted as it is the most effective way to eradicate poverty in the Pacific.

5.5 Conclusion

Great powers compete and struggle for more power, and it can easily affect small and powerless Pacific countries. Historically, the Pacific was influenced by many Great powers, especially, the European powers. For a long period of time, the EU's assistance was an important source of funding as aid to the Pacific. China had limited interests and a low profile in the Pacific formerly. China returned to the Pacific with an attractive development idea. Pacific countries no longer need to solely rely on old aid donors; they have another option. The EU's Cotonou Agreement can hardly satisfy the demands of Pacific countries. A new version of EPA is expected to tackle the addressed issues. The EU targets political and social dimensions, in contrast, China prefers to concentrate on economic cooperation and marks infrastructure building as the key. China and Pacific countries' economies are more compatible than the EU and the Pacific. The EU and China portrait two different developmental models to Pacific countries. Their ADPs also reflect their developmental ideologies. Pacific countries have every right to select which partner to work with and on which particular issue, and they also need to decide what kind of developmental experience and assistance they want to draw from the EU and China. Pacific countries benefit more when there are more aid donors in competition. The EU tries to include developing countries, especially LDCs into the existing world trade mechanism. Countries' growth depends on international trade. Aid for trade is one of the core strategies that the EU uses to reduce

poverty in the Pacific. Comparing to the EU's regional and global trade vision, China is more comfortable to trade with Pacific countries bilaterally. No matter how differently the EU and China construct and manage their ADPs in the Pacific, their ultimate goals are the same, achieving their strategic agendas whether they are political or economic, or both.

CHAPTER SIX

THE ARAB SPRING

6.1 Abstract

The North African and Middle Eastern (NAME) regions are known as the Arab World. It has great Islamic traditions and civilisations with a population of more than 4 billion, and 60% of that population is under 30 years old. The land area is 3.2 times larger than the EU territory, and far richer in natural resources. Apart from all these spectacular facts, this part of the world has suffered from countless religious and political conflicts and wars, and rated as one of the most insecure regions in the world. In December 2010, political revolts in the NAME region changed the entire political landscape and were regarded as a new political demonstration. This has become known as Arab Spring. Triggered by past political failures and together with recent years' dissatisfaction of poor economic performance, especially since the 2009 global financial crisis, the outbreak of political revolts was unavoidable. The NAME countries' stability is important to world economic development, in terms of supplying natural and energy resources, which gather great attention from external entities. The EU has been actively participated in the Arab Spring and engaged at all levels, such as the ruling government, opposition, parliamentary and civil society. In contrast, China tried to avoid intimate political engagement, and are only interested in maintaining economic relations with the reformed new governments, but, since China emerged and became a global power, it could no longer be an outsider of the world politics. Political debates about the future of the Arab World are still ongoing. The EU has European Neighbourhood Policy (ENP) as a legal instrument to cooperate with the NAME countries in aid and development. China's foreign policy and development policy also direct China's cooperation with the NAME countries during the Arab Spring.

The NAME countries were mostly controlled by military regimes and their political leaders were not democratically elected. Started in January 2011, Tunisia first expelled its President Ali followed by

the removal of Egyptian President Mubarak. The Arab countries experienced violent political conflicts between the ruling parties and its oppositions. Libya was a case that highlighted the Arab Spring process; a civil war had caused the death of hundreds and thousands of civilian lives. Civil war also took place in Syria in 2011 and its ongoing effects still remain and the future of Syria is still unclear. With the participation of NATO and other international forces, the situation in the NAME region has become ever more sensitive and complicated. The EU is the most powerful neighbour to the NAME countries, and their prime goal is to secure stability of their “backyard” where peace-building and peace-keeping are the main priorities for the EU. During interactions through cooperation, the EU had been keen to establish meaningful bilateral relations with the NAME neighbours but found it difficult to engage in dialogues, because of differing political ideologies and systems. The EU promotes European norms and values to the other parts of the world, and particularly to its neighbours. However, the NAME countries are still processing with cautions. The EU aims for better governance and higher level of democracy, and gaining greater influence and power in the region ultimately.

The EU responded to the Arab Spring as early as March 2011, by publishing a joint communication named “Democracy and Prosperity with the Southern Mediterranean Countries”. It clearly stated that “the EU must not be a passive spectator”.¹⁵⁶ The Head of the European External Action Services (EEAS), Ms. Catherine Ashton made the official announcement of supporting rebel forces to take down corrupted governments. The EU stressed that democracy is the foundation to achieve economic development. This initiated a review on the previous EU’s Neighbourhood Policy (ENP) which was launched in 2004, and “A New Response to Changing Neighbourhood” was adopted by the EC in May, 2011. Financially, the previous ENP allocated 5,700 million euros for the period 2011-2013, and

¹⁵⁶ "A Partnership for Democracy and Shared Prosperity with the Southern Mediterranean ", (2011), http://eeas.europa.eu/euromed/docs/com2011_200_en.pdf.

the revised ENP provided an extra 1,240 million euros to support the Arab Spring.¹⁵⁷ The renewed ENP has six pillars:¹⁵⁸

- Supporting progress towards ‘deep democracy’,
- Intensifying political and security cooperation,
- Supporting sustainable economic and social development,
- Establishing Mobility Partnerships,
- Strengthening the Eastern Partnership and building a Partnership for Democracy and Shared Prosperity in the southern Mediterranean, and,
- Providing additional funding with clearer priorities.

The EU put major efforts into a political dimension that highlighted the “Cairo Declaration”, which was published in November 2012 after the EU and the Arab League (AL) met for the first time since the outbreak of Arab Spring. The meeting was highly politically orientated. The ministers of the Arab countries welcomed future bilateral cooperation with the EU and funding, and they also expressed concerns over Syria, human rights, security, democracy, terrorism and border control. None of the issues that they discussed was related to economic development or how to restore economic growth in the region in the post-Arab Spring era. The annual trade volume between EU and the ENP countries is about 230 billion euros worth in 2011, which is about half of EU-China annual bilateral trade volume. From 2007-2013, the EU has offered the ENP countries with 12 billion euros in aid; about 1.7 billion euros per year on average. To the EU, the NAME countries are not major bilateral trade partners, even when combining the ENP countries all together, yet these countries geopolitical importance matters much more to the EU.

However, China prefers to be an observer rather than a participant. Because of the Arab Spring, China initiated new plans for the future strategies of natural resources, energy, trade, aid and development,

¹⁵⁷ "A New Response to a Changing Neighbourhood," (2011), http://www.eeas.europa.eu/top_stories/2011/250511_en.htm.

¹⁵⁸ Ibid.

and further, military capacity building. China recognises that domestic politics is always complex and a result of history legacies, so supporting whichever side is inappropriate. China desires to continue economic cooperation with the new leaders and their represented governments. China is not a major player in the region when comparing to the Northern Mediterranean European countries, but with its fast growing role, China has the potential to be one of the leading actors. Increasing Chinese overseas investment and trade volume in and with the NAME countries reflect China's ambition to establish itself in the region. The NAME is not an ideal region to do business when comparing with other parts of the world, because of the instability of those countries. However, low costs and high returns of the business investment attract many Chinese governmental and private companies to take risks. At the fourth China Overseas Investment Fair which was held in December, 2012, Chinese officials emphasised on enhancing the risk management skills in host countries in relation to the Arab Spring.¹⁵⁹ The meeting expressed urgency of setting up political instruments for protecting China's overseas business interests and urged the local governments supply well-matched security mechanisms. Over all, securing China's overseas economic and political interests is an increasingly crucial topic to the Chinese central government.

6.2 Libya Evacuation

In early February 2011, Libyan rebels and Gaddafi's troops caused a civil war, and the international community sensed the danger and instability of the country. Many countries quickly organised transportation to evacuate their nationals out from Libya. The Chinese top political mechanism, without any delay, planned evacuation methods. Chinese president HU Jiangtao made a formal announcement in China Central Television about protecting Chinese nationals by using quick and effective methods, and on the same day, the Vice-Premier ZHANG Dejiang was appointed as the chief director of the evacuation mission. A mechanism was established which brought three teams of diplomats, policemen and doctors to Libya to assist in the evacuation. The Chinese public took deep

¹⁵⁹ "Investment and Cooperation Make a Better World," (2012), <http://coifair.org/cn/about.aspx>.

interest and were very much emotionally attached to the whole success of this mission. The evacuation was completed in three major parts:¹⁶⁰

- *By Air.* On February 23th, the first plane departed from the Beijing Capital Airport to Tripoli at 17:00 (Beijing time). The problem was that there had no approved direct flight routes from Beijing to Libya in the past; therefore, it took a lot of efforts to get approvals from different countries that the plane was going to fly over. Evacuation via air had occurred 138 times in total.
- *By Sea.* On February 24th, a guided missile patrol escort vessel (named as “Xuzhou Hao”) was used to safeguard the mission of evacuation from Libya by roaming in the Mediterranean Sea. It aims to protect Chinese nationals and their assets; it aimed to prevent mob violence. On the same day, China rented Greek and Maltese commercial ships which departed from Patras and Piraeus, Greece and arrived to Benghazi, Libya, and carried Chinese nationals back to Crete Island, Greece. Malta offered similar help by allowing Chinese nationals to transfer in Malta. Evacuation via sea occurred 17 times.
- *By Land.* From February 22th, Chinese nationals started to gather in Tubruq, east of Libya. The Chinese embassy in Egypt sent numerous buses to pick up and travel across border, and arrived safely at Saloum, Egypt. At the same time, on the west side, many Chinese nationals went to Tunisia to get assistance from the Chinese embassy in Tunisia. Evacuation via land was completed over 100 times.

About 35,860 Chinese nationals returned home safely, and China also assisted 2,100 foreign nationals to leave the war zone. The mission was accomplished and was considered as successful by the international community, and most importantly, the Chinese public were satisfied with the outcome. After the uprising of Arab Spring, the Chinese government faced challenges from domestic political demonstrations. For instance, the Chinese “Jasmine Revolution” was triggered by the series of

¹⁶⁰ "Evacuation of Chinese Nationals ", (6 March 2011), <http://news.cntv.cn/china/20110306/105564.shtml>.

revolutions that took place in the NAME countries. The Jasmine Revolution caused some chaos in Beijing, Shanghai and Guangzhou. The government was worried about the uncertainty of domestic political uprisings, but the success of evacuating nationals from Libya claimed the Jasmine Revolution and brought credits to the government. Thus, the majority of the Chinese public believed and valued that the advantage of having a centralised power or authority again. The recognised that because of the current political system, the government could easily decide and act swiftly which was the key to accomplish difficult missions. Therefore, the so-called socialism with Chinese characteristics survived again. The Chinese “Jasmine Revolution” vanished as soon as it started.

The EU Member States’ first reactions were acting individually, rather than collectively, to evacuate their nationals from Libya. For example, the UK government was criticised by the British public and media of being reacted too slow in rescuing their nationals out from the war zone in Libya, and the British Prime Minister, Mr. David Cameron and Minister of Foreign Affairs, Mr. William Hague both had to apologies to their people for the failure of evacuating British Nationals quickly. The majority of European nationals in Libya were from France (500-550), Germany (160), Greece (210), Italy (1000), and the UK (500).¹⁶¹ If the EU acted collectively, since the number of people needed to be evacuated is relatively small, and Europe is close to the NAME region, the EU could easily accomplish the mission of evacuation.

Noticeably, Germany has sent three warships with 600 soldiers on board to the sea area between Malta and Libya to safeguard the European Southern border. The German military took a decisive action and rescued more than 700 EU citizens, and this was counted as an EU mission.¹⁶² The EFSP lacked of military capacity to perform a security task at the EU level, even the task was at the doorway. The EEAS was marginalised during the Libya evacuation, and had to work hard to organise

¹⁶¹ "Libya Protests: Evacuation of Foreigners Continues," (2011), <http://www.bbc.co.uk/news/world-middle-east-12552374>.

¹⁶² Ibid.

a European emergency evacuation package. Generally, the Europeans in Libya were the employers of European oil companies, and in emergency circumstances, the companies provided better facilities than the governments. The governments requested the companies to assist evacuations as a result. The EU showed incoherence in security crisis management during the Libya evacuation due to the fundamental divided attitudes.

6.3 Major Concerns from the EU and China

The success of Libya evacuation helped the Chinese central government to settle down a potential domestic political revolt. Nevertheless, one of the Chinese diplomatic officials, who was in Libya and assisted the evacuation commented that it was the first time that the Chinese government vividly sees how many Chinese nationals work and live in Libya, and it is such a big number that was not noticed before. China concerns more about safety of its nationals and how to protect their overseas economic interests. All the equipments that left behind in the warzone were either destroyed or stolen by locals, and all the projects were damaged to various degrees. Moreover, because of the majority of global oil reserve and production were remain in this part of the world, the Arab Spring crisis had an immediate impact on the world oil price, which was extremely crucial to an oil thirst country like China. After Tunisia, Egypt and Libya broke out conflicts; the oil price went up instantly; exceeded 100 USD per barrel.

At the same time, a new wave of energy crisis was triggered by the Fukushima nuclear crisis. Japan's quake-hit nuclear power plants leak dangerous radioactive water into the Pacific Ocean, and people became more cautious about the use of nuclear energy; governments from worldwide were cancelling nuclear power plants building plans and taking down some existing plants. Oil, as the most reliable and safe energy resource, was ever more demanded and hardly could keep the price low again. China was very sensitive to the world oil price, because its export- oriented economy was vulnerable to any price increase in natural and energy resources. The increased costs of transportation, production and

manufacturing resulted in many of the Small businesses, that operate on a small margin of profits, leave the market. In early 2011, China's manufactory industry was gradually recovering from the 2009 world financial turmoil; unemployment rate was decreasing and confidence was boosting all over the country. However, the Chinese economy hit by the energy crisis during the Arab Spring uprising.

Similarly, the EU also concerned about securing energy supply from the NAME countries and the 1973 oil crisis was still a fresh memory to the EU policy makers. The EU imports natural oil and crude gas from the NAME region, and the European oil companies, such as Eni, Total, Wintershall and BP all have oil fields or oil research projects in the rich oil and gas NAME countries. All the work in Libya had to stop, and the companies were motivated to get back once the country became safe again, but as far as concerning security issues, Libya had not ready to host foreign business yet. January 2013, the UK government announced a warning of a threat to the Europeans in Libya, and urged any British nationals to leave the country immediately.¹⁶³ The instability affected the EU's energy strategy in the NAME region. There are 143 nuclear power plants in Europe, after the Fukushima disaster, Germany took steps of phasing out of using nuclear power. It was uncertain about what would be the future for the EU energy supply structure, but relying on oil and gas, in a short term, is still the safest choice for the EU countries.

Russia is Europe's largest energy supplier, 25% of EU consumption of oil and gas is purchased from Russia, and the EU is also the biggest market for Russia energy exportation. However, the political complications between the EU and Russia created sense of insecurity to the Europeans, which facilitated the urgency of diversifying energy supply. In order to reduce energy dependency on Russia, the ENP countries, such as Libya, Egypt, Tunisia, Algeria and Ukraine are gradually grouped as the next targeted countries for the EU's energy strategy. The quick reaction of the EU towards the Arab

¹⁶³ Marie-Louise Gumuchian, "Europe Urges Citizens to Leave Libya's Benghazi," *Reuters* 2013.

Spring was also motivated by the objective of securing energy supply. The EU attempts to take this opportunity to re-establish itself in the region, although the political chaos in the targeted energy supply countries gave another perspective to the EU future energy strategy; that is increasing the researches on renewable energy supply. Meanwhile, the EU aid and development policy was used as a diplomatic tool to establish initial communication platform with the new governments of NAME countries. The aid package motivated the NAME countries to keep doors open for other potential areas of cooperation with the EU.

To the new regimes of the NAME region, the main areas of concerns were stability and how to recover economic growth. China's internal economic problems, such as high inflation, unsustainable economic structure, and high unemployment forced Chinese companies to "go out" and look for opportunities and better development. The NAME countries and China shared same interests in economic development. Comparing to the European countries, China was a late comer to the NAME region. By the time China turned its eye to the NAME region, the European businesses had already took a great share of local market and traded in the most profitable business sector. The Chinese companies recognised the Western dominance in the foreign investment sector. When the Chinese investments in NAME just started to make some profits at the beginning of this decade, it suffered from the political instability, which made Chinese companies frustrated and more cautious about returning to the NAME countries. The new regimes expressed confidence in engaging close economic relations with China. Although the crisis sent a pessimistic signal to the Chinese companies, some of them would still consider "going abroad" to the NAME countries for better business opportunities. From a long-term perspective, the economic loss during the Arab Spring was minor to China, but indeed, it was a lesson for China to learn about overseas crisis management. China cared more about the post-crisis rebuilding and future cooperation with the new regimes.

In general, to China, the Arab Spring rated as a negative event; whereas the EU perceived it as negative as well, but with some positive political implications. The EU made a lot of efforts to gain influence during the Arab Spring which should allow the EU to have a more prominent role in the NAME region. Comparing to China, the EU had been involved in a wider and deeper range of issues during the Arab Spring, and it was determined to do that. This had pros and cons. The EU's contribution in humanitarian aid and building a peaceful Mediterranean region received many credits. It was important for the EU to continue to do so, because the more EU contributes in rebuilding the NAME region, the bigger voice the EU could gain. Eventually, the EU would have the power to influence the NAME countries' political and economic decisions, so that the European interests could be favoured and taken care of. However, if the EU gets too involved within the domestic issues, which were quite often sensitive issues, it would have resistances from the NAME countries due to the nationalism. The EU-NAME relations could be damaged. It was a concern for the EU to either get overly involved or not involved enough.

Regional security was the top concern for discussion when the EU held dialogues with the AL. Millions of irregular migrations come cross South and East of the Mediterranean Sea to the Northern European countries. During the Arab Spring, the large number of war refugees crowded Greece, Italy, Malta and Spain, and some of them kept travelling to the north and caused social problems for the EU member countries. This also brought potential EU members such as Turkey into the discussion room. The acceptance of war refugees created an economic burden to the EU countries, especially when the European countries had to face the Euro Crisis at the same time. Frontex, the pan-European border agency, co-ordinated with the EU Member States to safeguard Europe's external frontiers, was struggling to manage to meet the demands of EU Southern border countries' security requests. Concerns over the war refugees enhanced the EU's sense of responsibility in assisting political reforms and economic rebuild in the NAME countries. The dilemma between moral obligation and refugee taking capability is a difficult task for the EU and all EU leaders.

6.4 Future Interests

China understands that there are a lot of uncertainties when entering a business in the NAME countries and behind these hundreds and thousands of returned home Chinese nationals, it implied some billions worth of losses. China had strong economic interests in the NAME region, and how to protect interests in overseas is a new topic to China. Traditionally, China maintained good relationship with the Northern Mediterranean countries, such as Greece, Spain, Italy, and Portugal. When the Euro zone suffered from the debt crisis, China financially assisted Greece, Spain and Portugal governments by buying their government issued bonds. In October 2010, the Chinese Premier WEN Jiabao promised to not cut investment in Greek government bonds when he visited the country.¹⁶⁴ When Chinese Vice-Premier LI Keqiang visited Spain in early January 2011, China signed 5.7 billion Euros trade deal with Spain.¹⁶⁵ China was reported as the new “Mr. Marshall” which deepened the EU-China relations. With the on-going financial crisis, the EU countries continued asking China for more financial assistance and economic cooperation, which build up an ever closer and friendly atmosphere between China and some of the Northern Mediterranean countries.

Because of this previous episode, during the Libya evacuation, the Chinese government had some foundations to request help from the Northern Mediterranean governments when borrowing transition ports and islands, renting ships and hotels, and allowing Chinese nationals to stay in Greece and Malta over night without any pre-registered documents. In both public and private occasions, the Chinese officials highly prized the Greek, Italian and Maltese governments for the great assistance during the evacuation. Yet, one cannot avoid thinking about an opposite scenario, what if Greece refused to help China? After all, border security lies in the heart of every nation, the Northern Mediterranean countries are the most important Southern borders of Europe, hence, Greece is a member of the

¹⁶⁴ "China Promises Support for Euro and Euro Bonds," (3 October 2010), <http://www.bbc.co.uk/news/business-11462016>.

¹⁶⁵ "China Backs Spain in New Eurozone Support," (5 January 2011), <http://www.bbc.co.uk/news/business-12120069>.

Schengen Area; the gateway to the rest of Europe. Of course, the consequences will be an utter disaster if Greece refused China's request. Additionally, China bought more Greek governmental bonds than it would, after Greece assisted China in the Libya evacuation.

The increasing of geopolitical importance of the Mediterranean Sea was greatly appreciated by the Chinese politicians and think tanks. China would further develop its bilateral relations with countries around the Mediterranean Sea, not only for traditional economic purposes, but also for new geopolitical interests. Building military capacity and having large ships and aircraft carriers were China's next strategic move. The Libya evacuation was not China's first overseas evacuation mission, but it was indeed the largest and most complex one (*see the table for comparison*).¹⁶⁶ Initially, the Chinese embassy in Libya had no idea how many Chinese nationals were staying in Libya, and the estimation was between 20,000 and 25,000 people. In the previous evacuation cases, China only needed to use planes and buses to evacuate its nationals to safe neighbouring countries, but using ships was the only option to take such a large number (35,860) of people out of Libya quickly. That was the first time in the history of People's Republic of China that the military ship entered the Mediterranean Sea. China initially used its private owned small commercial ships to help, but obviously, it was not enough for complete the mission.

For many years, China was eager to develop its naval military capacity because it had a vision of being the future global power. The trend was that China would carry out more operations on the Seas and Oceans from then on. Deploying a guided missile patrol escort vessel to Somali to safeguard commercial ships and fight against piracy at the end of 2008, was the first step towards China's long-distance naval strategy. The Libya Evacuation was a lesson that China learned and realised the necessity and urgency to enhance naval military capacity, in order to better protect Chinese nationals and the economic interests overseas. Since then, China has allocated more financial resources into its

¹⁶⁶ The table shows China's major overseas evacuation missions.

navy. Evidently, China was very active in the South China Sea, and caused many territory disputes with neighbouring countries, such as Japan and the Philippines. All because China realised the importance of navy and wanted to develop a strong navy.

The Arab Spring was a test case for the EFSP and a chance to increase the role of EEAS. After the ratification of Lisbon Treaty in 2009, the EEAS was fully responsible of the EFSP and it aimed to act and speak with one voice. The decision on any EFSP issues has to be voted unanimity, so the re-launching of ENP was to prove the solidarity among the EU Member States and be able to unify common European interests. It was a tricky time to build the EEAS, referring to the Euro Crisis and the Arab Spring, and building and operating the EEAS at the same time was challenging to a newly established institution. It was in the interests of EEAS to be more proactive than the EC, and the institutional power on EFSP issues could be transferred from the EC to the EEAS.

The Arab Spring examined the EFSP's crisis management mechanism, and the swift response to the revolt was a good start for the EFSP's participation in the Arab Spring. The EEAS struggled to gain a significant weight in the institutional bodies of the EU, and Ms. Catherine Ashton was very interest in improving the EEAS's profile in the event of Arab Spring. The Frontex also interests in increasing its institutional capacity as a direct result of the crisis. It announced statement of building a Common Pre-frontier Intelligence Picture, which would be able to produce and deliver surveillance data from places beyond the EU borders.¹⁶⁷ Working along with the EU Satellite Centre, this could provide a better migration picture of the Mediterranean region and empower the EU when it came under pressure from crisis such as the Arab Spring.

¹⁶⁷ "Frontex Chief Looks Beyond Eu Borders," (2013), <http://euobserver.com/fortress-eu/118471>.

The new movement of Frontex was to safeguard the EU's security interests, and if China also decided to be more proactive in safeguarding interests in the NAME region, then, China would have to develop external rescue capacity for that purpose. Generally speaking, China was a free-rider of the US and the EU in terms of emergency rescue. The Chinese media did not report events of Chinese nationals being rescued by the Europeans, for example, the French troop rescued 5 Chinese language teachers in Republic of Senegal in 1998 and this news was not reported in China for political considerations. The Chinese policy makers knew the importance of having an overseas rescue mechanism and interested in building one. That was basically because China used to be a very small and insignificant player in the NAME region, who had very limited influence and engagement.

The West did not mind China being a free-rider from time to time when considering from a humanitarian perspective. Apparently, the situation had changed completely; China could no longer be a free rider, it needed to build up overseas rescue capacity. Moreover, the West would like to see China carries out more responsibility as a rising global power. However, the reality is that being a free-rider was convenient for China, and China acted slowly and cautiously about overseas rescue capacity building, because of political, financial and technical reasons. The fact was that China would have a much stronger presence in NAME countries, so the Chinese government's policy on building a comprehensive rescue mechanism had to be updated and matched with the rapid development change in the NAME countries.

6.5 Post-Arab Spring

For a very long time, China had very limited interactions with the NAME countries, the beginning of aid delivery was only a result of the Cold War, and business linkages with NAME countries tend to be short-term or individual contract based. When Chinese merchandisers and companies settled down in these countries, they did not only bring hard-working ethics, but also increased the level of corruption. Building a good relationship with local governments seemed to be the key to solve all problems. The

Chinese government believed that having a close relationship with the leaders of NAME countries regardless who they are, as long as they can offer convenience and benefit to China's economic goals in the NAME countries. The Arab Spring was a conflict with a mix of religious, political, tribal and economic interests within the individual NAME countries. The Arab World is at a different development phase from the EU but at a similar development level to China; China and the Arab World have common concerns and share similar issues and problems in development. China showed intimacy with the old regimes but normally that was a particular ethnic tribe, or a nominated military regime.

It irritated the EU, and the European media often criticised China for being a "friend" to the dictators which was an expression of supporting brutalism. However, the truth was that China wants to be a good "friend" to all the NAME countries regardless who the political leaders were, because China considered that it is inappropriate to interfere with other countries' internal political affairs. China had no intention and interests in taking sides in the Arab Spring process. China realised that simply relying on the current ruling party was not secure enough to protect its interests; situation could change overnight. In the post-Arab Spring era, China would develop relationship with all parties or tribes on a superficial level, not just with the ruling party or ethnic tribe. China should be more flexible in dealing with different political leaders of the NAME countries, and as a result, the diplomatic focus would be more diverse.

In comparison, the EU had very strong stance in overthrowing the corrupted regime and promoting democracy in the NAME region. The EU, in the post-Arab Spring era, continued to show enthusiasm in reformation of the ENP countries' political system. A study was conducted by the Arab Centre for Research and Policy Studies in Doha, and it interviewed 16173 citizens from 12 Arab countries, and 81% of interviewees understand the values of democracy and more than two-thirds of them consider democracy is a preferred political system with civil freedom, pluralism, egalitarianism and rotational

elected government.¹⁶⁸ These figures could certainly boost confidence of the EU in promoting democracy; nevertheless, the future of reformed ENP countries was highly uncertain on how to apply democracy. In actual fact, the concept of democracy had been diversified in different countries that practiced it, for example, India, Brazil and Turkey all interpreted democracy differently; in their own way. Thus, the EU probably might find difficult to gain local support on applying the European way of democracy.

The EU had no influence over the outbreak of Arab Spring at the first place, so the outcome of the revolution could not be determined by the EU. The EU or the EEAS, over all, had a limited role in the crisis which made the Europeans worry. The best strategy for the EU in the post Arab Spring era was to focus on the aid projects and programmes in the NAME countries' social development where they could find the most common grounds, and reducing pure political interactions. The ENP had taken the social development cooperation for granted for quite a long time, and it was time to refocus on aid in social development sector. To a certain extent, the EU might need to start to deal with the Mediterranean regional problem with some actors that were unidentified in the past, emerging powers, such as China.

China did not worry too much about commencing relationship with the new governments in the post-crisis era. Because, to the NAME countries, China is an important trade partner and rebuilding their countries' economy demands economic cooperation with China. On 20 April 2011, Chinese Vice Minister Fu Ziyang held talks in Egypt with the new Minister of Industry and Foreign Trade Samir el-Sayad, and the next day, Mr. Fu visited Tunisia and met with Tunisian new Minister of Trade and Tourism, Minister of Commerce, and Minister of Foreign Affairs.¹⁶⁹ This was the first visit paid by the Chinese Ministry of Commerce delegation after the two countries formed new governments. Mr.

¹⁶⁸ JAMAL KANJ, "Insight into Post Arab Spring..." *Gulf Daily News* 2012.

¹⁶⁹ "Vice Minister Fu Held Talks with Egyptian Minister of Industry and Foreign Trade Samir El-Sayad," (2011), <http://fuziying2.mofcom.gov.cn/aarticle/activity/201104/20110407522662.html>.

Fu told both countries that China hoped to see stabilising economic cooperation with Egypt and Tunisia. China offered Egypt 60 million yuans and 40 million yuans to Tunisia as the post-crisis aid assistance. China also offered one million USDs to Egypt and two million USDs to Tunisia to help release the pressure of war refugees in these two countries.¹⁷⁰ Feedbacks from Egypt and Tunisia were very positive and optimistic about continuing diplomatic and trade relations with China and both recognised that China is an ideal partner for the post-crisis rebuilding. The Sino-NAME relations will not be affected by this crisis, and Mr. Fu's visit totally ruled out rumours on the future Sino-NAME cooperation. A different contributing force, other than the EU, is welcomed to balance the situation. This would give China opportunities to expand its economic and political influence in the region.

6.6 International Intervention

The American approach of using military power to achieve peace and prosperity had a lot of downsides and was not effective. The US and the European countries led NATO mission in Libya was not well supported by the wider international community. On 18 March 2011, the UN resolution 1973 on Libya, that supported a no-fly zone and authorised "all necessary measures" to protect civilians, passed as 10-0. China, together with Brazil, Russia, India and Germany abstained.¹⁷¹ China fully supported a no-fly zone to protect civilians, but against the idea of using any military force to join the civil war. Foreign powers' participation might result in worse domestic chaos and complicating the current situations. The AL, as the regional organisation, had limited collective opinions or constructive suggestions, because the war in Iraq and Afghanistan already caused the AL countries nervous about any NATO led military operation, but they did not have a better decision at that time. They concerned that international intervention might empower their own countries' oppositions and domestic state of affairs, so the AL members' meeting were too careful to produce any concrete results. Not surprisingly, the Africa Union (AU) was not influential either. The North

¹⁷⁰ "Representatives of Ministry of Commerce Visited Tunisia," (2011), <http://www.mofcom.gov.cn/aarticle/ae/ai/201104/20110407514429.html>.

¹⁷¹ "Timeline: UK's Road to Action in Libya," (15 April 2011), <http://www.bbc.co.uk/news/uk-politics-12821505>.

African countries were wealthier than Sub-Saharan African countries, and Gaddafi used to financially contribute a lot to the AU; so at the end, it was hard to bite the hand that feed it. The North Africa was often linked with the Middle East because of the common Arab ethnicity, so the AU did not have a influential power here. The AU and AL were weak and had a little capacity and capability to deal with their own regional crisis.

The case of Syria crisis was a test of everything that the UN stands for and what the international intervention could do to a country. The UN resolution on Syria which voted on 3 August, 2012 recorded 133 votes in favour, 12 against, and 31 abstentions. The EU voted favour whereas China voted against, which represented two different ideas on international intervention and also reflected their governments' interests. The initial decisions on the Syria resolution were leaded by societal public opinions. For the Europeans, the public could not wait for any further to see the old regime leave and Syria enjoys democracy. For the Chinese public, the outcome of UN resolution on Libya was used as a reference, and people did not perceive international intervention in the Arab Spring as a positive contribution to the peace of Libya, or in this case, Syria. At the governmental level, the EU was against dictatorship, even the future political structure of the NAME was unknown, but the EU would like to have more NAME countries that share the same democratic values. Thus, the EU would do everything to assist the rebel forces to expel the old regimes. The Chinese government did not want the old regimes to vanish in such a brutal way; Saddām, Ben Laden, Gaddafi all have been killed during the international intervention. Conflicts and wars in the Middle East still not ceased after the foreign military intervention. China is not a Western definition of democratic country, so it concerned about this kind of "foreign interference" would happen to itself one day.

6.7 Competition in Development Models

The NAME countries were in a state of confusion and seek for a new model of development. Europe, for a very long time, was the model that NAME countries that looked up to. They cooperated through

the ENP and other political instruments, communicating on the issues of democracy, rule of law, human rights, good governance, economic development, environment, energy, health and migration. The EU was trying to use soft power and normative power to influence its neighbours; however, the European model was unrealistic to many of the NAME countries at this stage. The US used hard power to pursue the ideology of democracy in the region during the Bush era, but it did not succeed as expected and the world was disappointed about the military intervention outcome in Iraq and Afghanistan.

One falls, one rises. Which model can help the “lost” NAME region, the Iranian, Turkish, or Chinese model of development? The Iranian model was not very attractive although they were promoting it themselves after the outbreak of Arab Spring, saying that the Iranian model could, at least, hold a country together. The Turkish model seemed quite practical, but the NAME countries had missed out the golden era to make a Turkish-style political reform, so it was too late to be applicable. Looking towards the East, the Chinese model was eye-catching. China, transformed from a poor and weak Third World Country into the world leading power, and it only took China 30 years to make that remarkable transformation. The Chinese model of development was demanded by the NAME countries. However, the Chinese development model cannot be duplicated, hence, it is still too early to conclude that the Chinese way of development is successful and can be shared with rest of the world as a model.

Inevitably, the Chinese development model challenged the traditional European development model. The announcement of the death of Bin Laden indicated that the West “anti-terrorism” orientated foreign policy comes to its end. In reality, Bin Laden lost his actual influence around 2005 as a leader in the Middle East, and since then, he has been a symbol rather than anything else. After the troops withdrew from the Middle East, the Western influence became weaker. The EU replaced the US in promoting Western values in the NAME region, but struggled to find a better approach. During Mr.

Fu's visit to Egypt and Tunisia, the leaders of these two countries expressed great interests of learning Chinese experiences of economic development. China faced the problems of being misunderstood and distrusted by the West due to different development ideologies, which made China's rise more difficult. For example, during the 2008 Beijing Summer Olympic Games' torches relay in Europe, there were interruptions by the European civilians to demonstrate disagreements to China's Tibetan policy. The Chinese government realised the importance of having countries other than the West that could appreciate what China did to the world. China was eager to find equal partners in the NAME region who shared similar values. China's rise of political influence in the NAME region during the Arab Spring posed challenges to the EU and its ENP.

To handle the pressure from China, the EU could improve in the following aspects. First of all, the EU should have re-affirm its stance on fundamental principles and values. The EU recognised China's economic achievement, but also doubted about the Chinese political system and urged China to deep reform its political and economic structures. The EU would not like to see its neighbours follow China's steps and shift to authoritarian capitalism. Secondly, before the EU promoted democracy values in the NAME region, the EU needed to allow some more space when the dynamic reforms took place. The EU should hold the same spirit as what it did for the Central and Eastern European Countries (CEEC) during the 2004 enlargement in terms of supporting political reforms, when it deals with the NAME countries. Although the NAME region would not have a chance to join the EU like the CEEC had, the EU has less responsibility with the NAME countries. However, to a certain extent, the EU was partly responsible for many problems in the NAME countries in relation to the European colonisation. Thirdly, the EU should encourage more economic incentives in the ENP while promoting political ideologies. The change in the CEEC after the enlargement was an affirmative answer to the approach of economic integration. Improving bilateral economic cooperation and better market access to the EU would benefit the political reforms in the NAME countries. Fourthly, the EU must recognise the cost of maintaining influence in the region at this stage would exceed the benefit.

From a long term strategic perspective, the EU should keep investing in the bilateral relationship with the NAME countries, and take the relationship to a new level.

6.8 Conclusion

The Arab Spring has reshaped the political dynamism of the NAME region, and the EU and China both faced challenges and opportunities because of the Arab Spring. The EU's ENP, together with the aid and development policy were used as communication instruments to engage dialogues on political and economic issues with the NAME neighbours. China continued to act as a "businessman" to the NAME countries and highly focused on economic cooperation, even though, the China's development policy aided the effected countries. The EU reacted quickly and positively, and the EEAS participated actively in the uprisings. However, China was very passive and negative about the Arab Spring, only the Ministry of Commerce acted accordingly. The EU and China shared a major concern which was to ensure the stability of energy supply from the NAME region. They also had different concerns and interests in the region. The EU's policy priority devoted to regional security, border control and how to handle the social problems of war refugees and illegal immigration that occurred. The EEAS was struggling for a more visible status among the EU institutions and interests in strengthening the EFSP. China concerned about the negative impact of Arab Spring to the Chinese economic interests in the NAME region. The pontifical market of the NAME countries is very attractive to China, China aims to build more overseas agencies and also improve naval capacity. Moreover, the international intervention was perceived differently by the EU and China due to different political stances. Finally, they were passionate about exporting their development models to the new governments of reformed NAME countries; a competition between the two developmental ideologies seems inevitable in the post-Arab Spring era.

Table One:

Date	Country	People	Methods of Evacuation (Land/Air/Sea)
April, 2006	Solomon Islands	310	Land & Air
April, 2006	East Timor	243	Air
July, 2007	Lebanon	167	Air
November, 2006	Tonga	193	Air
January, 2008	Chad	300+	Land & Air
January, 2009	Haiti	48	Air
June, 2010	Kyrgyzstan	1299	Air
January, 2011	Egypt	1300	Air
February, 2011	Libya	35860	Land & Air & Sea

CHAPTER SEVEN

CONCLUSION

Historically, the EU and China's ADPs are developed to serve regional and national interests. The past connection with former colonies prompted the European countries to take responsibilities when concerning the development of the aid recipient countries. The Yaoundé Convention and the Lomé Convention were largely dominated by this notion, and the ADP was used as a tool to maintain and strengthen the colonial tie with the developing countries. China had a heavy political motivation with its ADP in developing countries because of its strong focus in political ideology in the second half of last century. However, as soon as China shifted and started economic development, the ADP was constructed toward trade and economic cooperation. In fact, China's engagement with developing countries has stimulated the EU to re-evaluate its ADP. Moving away from a colonist view point and promoting equal partnership became today EU's motto, and the EU recognised that aid donors and recipients are essentially in a teaching and learning style of Ako and Tuakana/Tiena.

Their differences are reflected through how the EU and China administrate their ADPs. Aspects including actors and institutions, ways of funding budgets, forms of aid delivery, as well as the key ADP concepts, legal basis and contents are also very different. The EU and China's ADPs have different motivations, objectives and focuses. Nevertheless, the EU and China both have unique mechanisms to execute their ADPs, and they are both innovative enough to serve the fundamental interests of the EU and China. From the international relation's perspective, maximising self-interests is the most deliberate reason for their

behaviours. Political Science, Great Power politics, Realism, Game Theory and China Threat Theory all interpreting aid and development issues from a strategic and humanistic angle. However, when concerning the developmental theories, aid becomes more reasonable and practical. To the aid recipient countries, aid is for contributing to self-development, whereas for aid donors, aid has more dimensions apart from the moral assistance.

The EU and China compete in Africa, the Pacific and the NAME region for power. The EU's Cotonou Agreement have achieved great success in the past, but now it faces challenges as its African, the Pacific and NAME partners have more options in choosing partners. On one hand, China's presence is regarded as positive to many developing countries, but the EU or the old aid donors find hard to include the Chinese style of ADP into the existing aid system. On the other hand, China cannot accomplish its ADP ambition within many of the current aid organisations, therefore, China initiates its own aid and development organisations in Asian regions and the EU participates in. Obviously, the EU's ADP prioritises security and refugee issues, especially, in the NAME region. Frequent terrorist attacks and massive refugees urge the EU to aid the developing partners and stabilise their economies. While China's ADP is still economic directed, even the security issues are closely related to protecting Chinese overseas economic interests. Witnessing the uncertainty of Chinese investments in overseas due to security problems, building a stronger navy is also triggered so that China's international business and trade interests can be well protected. Of course, just like NAME to the EU's ADP, the Pacific will also have great security implication to China's ADP in the future.

Finally, the EU's ADP is designed to support and co-ordinate with other policy areas, such as promoting regionalism, the ENP and Aid for Trade. In contrast, China's policy domain for its ADP has quite a clear cut; for trade and economic co-operation mainly, no matter in which geographical region. Because of their different developmental ideologies and philosophies that guide their ADPs, the EU and China, which represent two different value systems of aid donors, construct their ADPs differently. However, from another sense, they are not that different from each other at all, as they both stand firmly to maximise their interests and what they are. They can tolerate each other on soft issues or low level politics by engaging in dialogues and even bilateral collaboration, but difficult to achieve any agreements on hard issues or high level politics. The EU and China's ADPs are considered the same and different from many perspectives depends on which angle we examine them. Their ADPs' affordances and limitations co-exist and not easy to adjust or improve unless the EU and China's fundamental interests begin to change. The ADP is a valuable tool that can be used by different aid donors to achieve their political, economic and social goals, and the aid recipients also use this tool to obtain what they need and want. Nevertheless, apart from strategic analysis of ADP, aid and development should always have an aspect of moral and spiritual consideration, and do not forget aid is an action of humanism and God's love.

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